

**JUSTICE: Blood and blame • EXERCISE: How much is enough?**

CANADA'S WEEKLY NEWSMAGAZINE

# Maclean's

July 1996



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# Maclean's CANADA'S WEEKLY NEWSMAGAZINE This Week

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## Cover 38

### Canada's next billionaire

Among emirs, he is best known as the stock promoter behind the Hooters Day incident discovery. But Robert Freedent's manifest destiny in his own mind, is so much bigger. Today, he runs nothing less than an international corporate empire



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As head of Alliance Communications Corp., Canada's largest entertainment empire, Robert Lambie is riding high



COVER PHOTO BY PHILIP WARD

# From The Editor

## The devil is in the cutbacks



Could it be that the elegant and very wealthy Toronto socialite was being lashed for a contribution after the Blackie dinner at the opening of the Shaw Festival last week—by a very prominent supporter of the Stratford Festival? That at least was the hint on the lawn in Niagara-on-the-Lake, Ont., as the beleaguered and belestressed moved to the theatre for the season premiere of George Bernard Shaw's *The Devil's Disciple*. Such is the mean condition of the editors of Canada as culture that a little hand-raising among friendly rivals can go a long way these days.

As governments cut back their funding of the arts, the competition for money to cut deficits is keen. Away from the bright lights of the big festivals and major stages, the financial pinch is even more acute, as symphony orchestras struggle for survival, small theatres turn off the lights and restaurants appear to recruit increasingly articulate and acquainted wait staff. Ironically, for an industry that employs more than 400,000 people and has annual revenues of more than \$10 billion, the arts are being a major crisis.

The ramifications are disturbing. No nation can coast by the balance sheet alone. Stories, songs, dances, music, art and the rest are the lifeblood of a country, the cultural values defining a people just as surely as their geography and the great natural product. What is less teachable, but no less something, are the lost opportunities for young people, the TV generation that seems to be taking to the arts as never before—forming bands, going to theatre schools, making their way in the film industry.

To be sure, the only line the sector challenges as every other part of society. Federal spending has been cut across the board.



Gordon Reid as Richard Dredgers in the play *The Devil's Disciple*.

While Ottawa plans a 43-per-cent cut (or 870 million) in grants to cultural industries in the four years ending in 1999-2000, the average cut for all industries is 60 per cent. And there has been a domino effect at all levels of government, as provinces and municipalities are cutting back their spending on the arts.

The effect has been mainly twofold. It has driven many artists out into the cold. And it has sobered in a new era of commercialization of the arts. Corporations are stepping forward to underwrite buildings and programs, in return for getting their logos or names on a building or a program. Some institutions are scrambling to establish endowments. Artistic directors are scaling back their programs, often generating less challenging fare in the hopes of attracting larger audiences. At Stratford, Richard Moore, an outstanding actor in his own right, is more accustomed these days to using his housing: baritone in fund-raising pitches. He is also helping to cut overhead by pitching in to direct fully four plays this season, in addition to his overall responsibilities as the festival's artistic director.

And yet, at the heart of it all, there is still the joy of the spectacle, the satisfaction that is the gift of a great performance. For actor Gordon Reid, last Wednesday was that kind of night. He barely knows the role of the devil's disciple, the English military rule in the American colonies. Only a few years ago, Gordon Reid, a Niagara-on-the-Lake native, was working in the box office at the Shaw Festival. As he took his bow in the klieg lights, his eyes had a special glaze.

*Robert Frick*

## Newsroom Notes:

### Striking the mother lode

This week's seven-page profile of Robert Frick, the controversial stock promoter who struck a mother lode of nickel in northern Ontario, is Jennifer Wells's third cover story this year. An award-winning business writer and Wednesday-morning panelist on CBC Radio's Morning Show, Wells began her journalism career at *Maclean's* 17 years ago as a copy editor. After



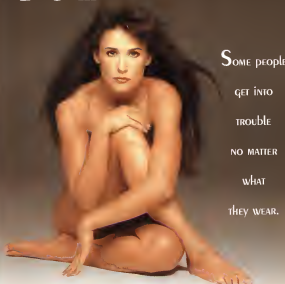
Wells, award-winning writer.

moving through the ranks of the Canadian magazine industry, she returned to *Maclean's* last December as National Business Correspondent. "I've followed Frick for years," says Wells. "He's conversationally arrogant, financially brilliant and unlike anything the Canadian mining community has ever seen." Senior Editor Ross Laver oversees the cover report.

### B.C. election coverage

This week's election in British Columbia. A full report on the outcome and the new government will be carried in next week's edition.

# Demi Moore



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WHAT  
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CASTING BY ANNE LOBEL COSTUME DESIGNER ANDREW BERGMAN



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AT THEATRES SOON



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## Educational choices

Let me see if I have this education stuff sorted out. ("Brave new schools," *Cover*, May 20). First, we have provincial governments that blatantly promote a corporate and economic agenda while at the same time withdrawing massive amounts of money from both the education and social systems. Then, we have the parents, many of whom berate criticisms of education based on their own educational experiences, which have little relevance to today's generation that populates our schools. Next, we have the teachers, who we put between the group with the least power of all. Apparently, we make too

iterative technology. They also lead far more complicated lives, with less support than we had. We must make major changes to accommodate them. My hope is that we can get past this current stagnation of blame. The answer lies in the future, not the past.

High Malick  
Gresham, Ore. 36

Five stories about brave new schools. Yet, with regard to the Sheila Morrison College School ("Discipline rules"), it does not take a lot of bravery to teach when the student-teacher ratio is 5:1. Small classes seem to be a universal feature in private schools. Yet some craven public-school reformers claim that class size doesn't make a difference.

John Ryan  
Toronto 36

I was glad to see you focus on some of the positive programs that are helping our children. One that you did not mention is a program called Rainbows. It offers peer support to children, adolescents and adults who are experiencing a loss through death, separation, divorce or change in their family, and is spreading across Canada quickly. As a teacher and director of Rainbows, I am proud of my colleagues and the work they do. Perhaps if our critics looked into the time that we give these children, they would give us the respect we deserve. Quite possibly, the idea of respecting adults might filter into our children's lives as well.

Linda Mabey  
Ajax, Ont.

den, they would give us the respect we deserve. Quite possibly, the idea of respecting adults might filter into our children's lives as well.

A little math will tell you that the cost per hour per child in a class of 28 students for a teacher who makes \$20,000 a year, teaches 180 days, 7 hours a day is \$1.50. This is a bargain for nurturing, counselling, child care, parenting and teaching.

Gilda McCas  
Leedsbridge, Alta.

## 'Glad to be alive'

Your article "Dying by choice" once again raises the sticky issue of doctor-assisted suicide. (*Life*, May 20). I had a stroke 30 years ago and could have been left for dead. I am alive today because of the efforts of the medical profession. I

## Divine intervention

I have developed a weekly ritual, since Easter, of rushing to the Mail section of the latest *Maclean's* to read the concluding responses to "Is God a woman?" (*Cover*, April 8). Thank you for printing an article that has stimulated a lot of thought and conversation on the issue of spirituality. I am encouraged, however, by the number of responses that have reflected a battle over the issue of interpretation of deity's gender. Of course, deity transcends the limited viewpoint of whether or not it has a penis or a vagina (and did Adam have a belly button?). I would be more encouraged if people focused on the statement made in the article that when one begins to change the language one uses to describe and relate to divinity, the very structures of traditional Christianity begin to crumble.

Marsha Budgey  
St. Catharines, Ont. 36

don't remember four months at all, we led through a tube for eight months, was hospitalized for one year and was in a wheelchair for a year and a half. I can speak understandably only with the simplest of sentences and need a computer to communicate effectively. Yet I am glad to be alive.

Mark Klassen  
Newmarket, Ont.

## A wake-up call

Once again, we Canadians can see how far left our courts have swung in acquitting Dorothy Joadine for attempting to kill her husband, Earl ("Courtney Joadine's 'highland fling,'" *Covers*, May 20). It appears all one has to do to be acquitted in today's society is claim abuse, or state: "I do not recall that I shot him." It is time that Canadians quit blaming society for their personal problems and do their time in jail, as they deserve.

Joseph Noll  
Windsor

## Conservative cure

The May 20 column by Bruce Francis contains several questionable interpretations of the causes and effects of events over the past few years ("The challenge: facing similar conservatives"). They are not so much wrong as they are narrow and simplistic. I assume that we are establishing a historical and social context for the Wings of Change symposium whose purpose is to "work it out" with ways to politically accommodate the

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Stephane Nien and principal Betty Atkins of William King School, Halifax: steady generation

much and work too little. Of these groups, it seems to me that teachers are the best qualified to make the decisions that affect kids. Last, we have the students, to whom all three groups pay homage, or at least pay service. This generation is neither that any other. These kids learn differently from the ways we did. They can process multimedia images at an amazing rate, and make split-second decisions when using in-

## LETTERS TO THE EDITOR

should be addressed to:  
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Another View



# Charles Gordon

## The Horse Network is no longer a joke

**W**henever there is a lull in the proceedings, someone comes along and proposes more channels for our television sets. It used to be a big deal when this happened. That was when we could count the number of channels on the fingers of two hands and perhaps one foot. But technology has moved past that, and so, as it turns out, have we. The thought of more channels once could divert us from the more serious matters at hand. But it won't work this time.

If you believed in conspiracy theories, as of course none of us does, you might think that modern capitalism has conspired to give us more television channels to disguise the fact that it is giving us fewer jobs.

Not that anyone believes in conspiracies. Everybody knows that the market has a mind of its own and everything it does ultimately benefits us all. We read that in the *Repeal* on Business every day. Still, there is a lot of unemployment. And there are a lot of channels.

A couple of miles ago, this magazine gave us the latest rundown on the 100-channel universe, or the 200-channel universe, or however many hundreds we are up to by now. The CBC was hearing 60 proposals for new channels. The new channels would be increasingly specialized. Everyone knows about The Horse Network by now and treats it as a joke, or at least a metaphor for silly television channels. But there are also cartoon channels proposed, and comedy channels and mystery and science-fiction channels. So horses aren't that out of line, and dogs will be next and cats and quilling. The *Sensory Channel*, a specialty service for people with no windows, can't be that far in the future.

You will remember the mighty howl that went up last year when the cable people tried to charge us for new channels without giving us a clear choice as to whether we wanted them or not. That should have been a signal in the industry that the people were changing, that they wanted more out of life than more channels. Instead, the signal was misinterpreted. The industry thought it meant that Canadians were deeply engaged in the question of what they would be watching. They thought it meant that television was about the most important thing on Canadians' minds. What it actually seems to have meant, in retrospect, is that Canadians had reached their channel limit.

This becomes clearer now in scope of the coverage of the current channel kerfuffle. A survey taken by the Canadian Cable Television Association shows that 51 per cent of cable subscribers think they already have enough channels. More significantly, another 28 per cent say they already have too many channels. The margin And we haven't reached our first hundred yet.

If there were conspirators in the marketplace, and no one be-

lieves that there are, they are doomed to fail.

The powerful lesson of all these channels is just now being driven home. It is that there is nothing on television. For years, television viewers and those who had hope for television as something other than a toy reserved to do-over themselves that television's shortcomings were the result of a lack of choice. Now, there is choice and lots of it, although there are tiny gaps in such areas as polo and Northern European chess. We can watch anything. And what is happening?

No one is watching. Do you watch television any more? Do you know what it is? Do you watch the CBC now? Seriously. Don't say yes just because you think you should. Do you watch as many baseball or hockey games as you once did? Can you distinguish between *Beverly Hills* and *Shameless*, between The Discovery Channel and the Life Network? Do you pass up all those movies, skip the science? Do you somehow not get around in spring shows you had to read? Do you finger when *Seinfeld* is on?

There is already lots of TV choice, although there are tiny gaps in such areas as polo and Northern European chess

In short, has television become irrelevant to you? If it has, you're not alone. As television comes closer and closer to realizing the potential that was predicted for it, viewers are coming to realize that it doesn't say anything to them.

More channels? More reruns. More old movies. More bad new ones. More advice. More talk. More animals in their native habitat. More devices for your abs. More American talk, except when the new channel has artistic pretensions. Then more. Nothing. More. Australian stuff. More stuff we can live without.

What will become of us all when, very soon, we collectively arrive at the conclusion that it doesn't matter how many channels there are, that there will never be enough and always be too many?

Well, we will have to do something else. Some are already turning to the Internet, a place with an infinite number of channels. But even there the sensation of flipping through the dial, only using a mouse instead of a napper, will wear thin. There is only so much information one can absorb. There are just too many mouse clicks our index fingers are capable of. There is only so much downloading we can do.

Eventually we will tire of it, and seek an alternative. Then, we will lift up our heads from the screen and emerge, blinking in the daylight, to see what is available in the real world. And that's when we find that it has all been shut down, in order to get that darn defect under control.

No theatre, no zoo, no museum, no wedding pool, no festivals, no Junior kindergarten, no school trip. Admission fees for stuff that used to be free. And, of course, no jobs. The quality of life has been deteriorating rapidly, while our attention was absorbed. If we hadn't been watching TV all the time, we would have noticed. Now, we're not watching TV. Hear us roar.





# Of bad blood and blame

BY D'ARCY JENIS

Janet Conners sat in the corridor outside a downtown Toronto courtroom, talking about her late husband, Randy. It was, she noted, the day that he would have celebrated his 40th birthday. However, Randy died in September, 1994, at the age of 38 after a protracted and painful battle with AIDS. A severe hemophilia, he was one of the more than 1,000 people infected in the late 1970s and early 1980s with the human immunodeficiency virus, which causes AIDS, after receiving contaminated blood or blood products from the Canadian Red Cross Society. As she spoke, Conners' bitterness and anger were apparent. "This is not where I thought I'd be on his 40th birthday," said Conners, who herself contracted HIV through her husband and has developed AIDS. "I need to be in that courtroom to bear witness for him. I want all those lawyers to have to walk by me every single day."

With that, she returned to the courtroom and resumed her vigil over the epic legal battle that began last week in the Federal Court of Canada, a battle that may determine how much the public eventually learns about the country's tainted blood tragedy. For the past two years, surviving victims and their families had hoped that a federal provincial inquiry, under Ontario Court of Appeal Justice Herman Krever, would explain how the blood supply became contaminated and, equally important, who was responsible. But last week, lawyers representing, among others, the Red Cross, the federal government, six provinces and 31 former blood administrators, began arguing before Justice John Richard that Krever should not be able to name anyone or assign blame to any person. To do so, said Red Cross lawyer Earl Cherniak, would turn an inquiry into a trial and violate the rights of those organizations and individuals. "We are not trying to letter, hinder or stop the inquiry," Cherniak said. "It is unnecessary to make direct findings of fault against institutions or individuals."

While the legal arguments were scheduled to end by May 23, some observers predicted that the dispute will delay the completion of Krever's report for months—and perhaps for years. The Toronto-based inquiry, which has cost more than \$25 million so far, cancelled two years of public hearings last December after travelling to every province except Prince Edward Island, and after hearing testimony from 680 witnesses Krever intended to complete his final re-



Shutterstock, R. with mother, Leslie, outside court, anger

port, including recommendations for an overhaul of the blood supply system, by September. But representatives of the victims predict that even if Richard rules against the Red Cross and the governments, they will likely appeal all the way to the Supreme Court of Canada. "The whole intent of their action is to derail the final report," said Durbane Wong-Meyer, president of the Canadian Hemophilia Society. "It's frustrating."

Representatives of the Red Cross maintained that they cooperated fully with the Krever inquiry during the hearing phase. And they insisted that they were prepared to accept a final report that was critical of the blood-banking system as it was set up in the 1980s when the problems occurred. But they said a public inquiry should not result in accusations of misconduct that could leave individuals

Shutterstock, R. with mother, Leslie, outside court, anger



The whole intent is to derail the final report. It's frustrating.

open to civil suits or, worse, criminal prosecution. "There are individuals within the Red Cross and other organizations whose reputations are being impugned," society president Janet Davidson told *Maclean's*. "There has been no due process in the courts to determine whether these people took specific actions that harmed the lives of others."

The concerns about civil or criminal liability are based on a series of formal advisory letters, known under the *Inquiries Act* as notices, sent by lawyers for the inquiry to dozens of individuals late last December. The notices, which were intended to be confidential, stated that Krever could potentially make findings of misconduct in his final report. They also gave the individuals and organizations named an opportunity to respond to the allegations, orally or in writing, by early February. Rather than accepting that offer, the Red Cross, along with Ontario and all the provinces except New Brunswick, Ontario, Saskatchewan and British Columbia, decided to ask the Federal Court to overturn the notices. But in launching legal action, they had to file the confidential notices with the court, meaning that they become public documents. As a result, the Red Cross included its notices in a press release it issued last January in which it announced the court challenge. "We put them out to avoid the appearance that we had to have them printed out of us," said Red Cross secretary general Douglas Lindgren.

The notices sent to the society ran to 25 pages and include dozens of allegations against the organization and 45 individuals employed by the Red Cross when the contamination of blood supplies occurred, including former secretary general George Weber and his former deputy Dr. Roger Perrault. Inquiry lawyers cited numerous problems with the organization's donor-screening program between late 1982, when donors first recognized that the AIDS virus could be transmitted through blood supplies, and November, 1985, when the Red Cross began screening every unit of donated blood for the presence of HIV. As well, the society wanted until 1987 before it began actively ex-

cluding high-risk donors, such as homosexual men with multiple sexual partners. "The Canadian Red Cross failed to implement an effective national donor screening program, thus failure causing unnecessary cases of infection-associated HIV and AIDS to occur," the notices to the Red Cross said.

Commissioners concluded the notices to the Red Cross by listing allegations against individual doctors who ran blood collection centers in major cities across the country. They accuse most of the doctors of failing to contact organizations representing gay men with requests that their members refrain from donating blood. More seriously, they allege that in mid-1985, while the Red Cross was switching to blood products that had been heat-treated to kill the AIDS virus, some doctors continued to issue non-heat-treated products to hemophiliacs "as part of a planned deception" of their loved ones.

In his arguments before Federal Court Judge Richard, which lasted almost three days, Cherniak argued that the use of the term "planned deception" suggested a conspiracy had occurred among the medical directors of the collection centres. He also objected strenuously to allegations that some senior Red Cross officials had misrepresented society policy on donor screening during discussions with other agencies involved in the blood collection system. And he maintained that commission lawyers should not have accused the organization of withholding information about the effectiveness of heat treatment. The allegation implying that Red Cross employees were guilty of criminal or civil wrongdoing and, if included in Krever's report, would ruin the reputations of individuals, he said. "The Red Cross officers comply with very serious charges," Cherniak said. "What he [Krever] ought not do is make major decisions that there was misrepresentation. That is what courts and judges are for, not commissions of inquiry."

According to outside legal experts, however, legislative guidelines and restrictions on public inquiries are not just dead-  
weight.



Krever: ready to name names

Commission lawyers sent out the notices in accordance with Section 15 of the *Federal Inquiries Act*, which stipulates that an individual must be notified if he or she is going to be accused of misconduct, and must be given an opportunity to respond before a report is issued. Krever, who is professor at the University of Toronto, notes that the legislation does not define misconduct, which could range from a violation of professional ethics all the way to serious criminal activity. Given those ambiguities and the potential for abuses,

Roach contends that public inquiries should avoid blaming individuals. "They don't have the due process people are afforded in criminal trials or civil litigation," he said. "Public inquiries are best at finding facts and making recommendations for the future." On the other hand, Edward Ratushny, a professor of public law at the University of Ottawa, contends that public inquiries can, and should, make findings of misconduct and name the individuals responsible. Krever cannot accuse someone of criminal or civil liability, but he could conclude, for example, that errors of judgment had been made or that irresponsible behavior had occurred. "The purpose of a public inquiry is to have a comprehensive, detailed and impartial examination of the facts in order to restore public confidence," said Ratushny.

Representatives of the victims viewed the legal attacks on the Krever inquiry as an attempt to prevent full disclosure of the facts—and said that many fear that they will die before they ever get to

## CANADA

know the truth. "I see this as a colossal waste of time," said Kerner, 57, a former Ontario judge. The victims maintain that Red Cross officials are preoccupied with the image of the organization and the reputations of individual employees, rather than the right of victims to know why they got sick and who was responsible. Besides those who were infected with HIV through contaminated blood, an estimated 22,000 people also contracted hepatitis C, an often fatal disease that attacks the liver and can cause severe jaundice, fatigue and liver failure. Several hepatitis C victims attended last month's hearing, including eight-year-old Jared Gaskinback of Port Huron, B.C., who received tainted blood during heart surgery when he was an infant. "The real demand of justice is what happened to the victims," said Wong Rogers. "Don't victims have a right to know who harmed them and how they got harmed? I think Kerner's report is going to be a crimped effort. I think it's going to be wound down so badly that it's going to be inconsequential to most of the victims."

Regardless of what Kerner eventually says in his report, it will come too late for the more than 500 victims who have already died. "I just had a friend, an HIV-infected hemophiliac, six weeks ago," said 34-year-old James Kropotkin, a Toronto lawyer who has also developed AIDS as a result of contaminated blood products. "He wanted to see the results of the inquiry. But they're managed to drag things out, so he went to his grave without getting any answers."

For most of the surviving victims, and their families, Kerner's report may offer personal solace, and little else, because they have given up their right to sue. In March, 1994, just as the public hearings were about to begin, the provincial and territorial governments, the Red Cross, pharmaceutical manufacturers and insurance companies offered compensation packages. About 650 of 915 eligible individuals and families accepted the offer, which provided \$222,000 an year, \$80,000 annually until death and the same level of survivor benefits for five years afterward. But one of the conditions attached to the packages was that recipients would not pursue future legal action. "I accepted the settlement because my health had declined," said Donald Mitchell, 36, of Flagville, Ont., 35 km southwest of Hamilton. "I felt forced to take it. I just wish all of this had been over a long time ago."

Some lawyers for victims who decided to pursue lawsuits say that these cases do not depend on Kerner's findings. Toronto lawyer Kenneth Areson, who represents about 28 such clients, said that the victims issued by compensation lawyers are not admissible as court trials. Potentially, however, some Red Cross officials dispute that, saying that, in some cases, Kerner's notices have been added to statements of claim used to initiate lawsuits. But Areson insists that he does not need Kerner's admissions for his next trial, involving the families of two victims who have died and a third who is still alive, which is before Justice in the Ontario Superior Court in September. Even if the plaintiffs is seeking more than \$1 million in damages. "What was a tremendous advantage to the plaintiffs was the information that the compensation turned up; documents that were dynamite out of them," said Areson. "The Red Cross had been able to avoid producing documents for years, and they did it legally. The inquiry, in some extent, has provided a more level playing field."

It has also been a public relations nightmare that has contributed to a decline in blood donations and shaking public confidence in the safety of blood supplies. The latest available figures show that in the year ending March 31, 1995, the Red Cross collected 202,000 units of blood from an estimated 252,000 donors, down five per cent from 1.05 million units collected the previous year. Meanwhile, internal public opinion polls by COMPASS Inc. commissioned by the Red Cross reveal a startling loss of faith in the system over an 18-month period starting in the fall of 1994. The first poll showed that 20 per cent of Canadians would not want to have a blood transfusion; by December, 1995, that figure had risen to 39 per cent, at peak level, before tapering off to 28 per cent in March.

Those trends have occurred, Davidson said, even as the Red Cross has taken steps to improve the safety of blood and blood products. She noted that employees involved in the collection and distribution systems must abide by ISO 9001 standard operating procedures, most of which have existed for several years. But government regulatory agencies in both Canada and the United States now require much more rigorous documentation and adherence to standards. At the same time, the Red Cross has set up stringent



Saved blood: the rate of donating is down

downstreaming procedures to ensure that members of high-risk groups, including intravenous drug users or homosexual men with multiple partners, are not giving blood. "One of the complaints people often raise now is the time it takes to give a unit of blood," said Davidson. "It used to be that you [could] break you could make a donation and go back to work. That's very rarely the case any more simply because of the questionnaire stuff."

As a result of those and other changes, Red Cross officials now believe that Canada has one of the safest blood collection and distribution systems in the world. And they did receive a qualified endorsement from Kerner, who made no mention in his February, 1996, report of 43 recommendations, including a proposal to avoid locating blood donor clinics in areas known to have higher than normal prevalence of HIV and that hospitals should maintain their efforts to contact former patients who may have received tainted blood between 1975 and 1980. "I am confident," Kerner wrote, "that Canada's blood supply is not less safe than that of other developed nations. There is, however, no justification for continuing the demand that a tragedy could occur again due to contamination of blood supplies, and added: 'How to minimize the likelihood of such a calamity is the challenge to be addressed in the further work of this inquiry and the final report.' But Canadians may wait a long time before that document, and its recommendations, ever see the light of day."

With LARRY FISHMAN in Ottawa



## CANADA

# Challenging the high price at the pumps

### Consumers force an inquiry on the gas industry

**I**t is ironic—Citizens' Coalition for Fair Prices at the Pump—is an organization that has a singular goal. Initiated when gasoline prices of gasoline exploded in the Ottawa area five years ago, a small group of consumer scolders followed their complaints to the local media and, before long, expanded their informal membership to 500 people. In April, 1995, when prices again jumped to a high of 60 cents a litre, the group targeted Imperial Oil with a week boycott of the company's gas stations and watched as prices in the region tumbled to 54 cents. This spring's price hike brought a change in strategy.

Discovering that it took only six consumer agitators to force a federal investigation of unfair pricing practices under the Competition Act, the group, which has now grown to 1,000 members, has targeted through Ottawa Liberal MP Mac Harb, has instigated the first national probe of consumer gasoline costs in a decade. "The boycott of 1995 was a short-term marginal strike to point out that the manipulation of prices, if not illegal, is certainly immoral," consumer

speakman Bernard Mussen told *Maclean's*. "We say it is now time for constructive surgery."

That is a remedy that neither the Liberal government nor the three major oil and gas companies in Canada appears to think is necessary. Officials from the depart-

## THE MONEY PUMP

Who reaps the benefit from high gasoline prices? Across Canada, taxes accounted for about half of the May 7 average pump price of 61.5 cents a litre.



Filling up in Calgary: as much as a 17-per-cent increase since January

ments of industry and natural resources say privately that the inquiry by the federal Bureau of Competition Policy, launched on May 17, is unlikely to uncover a similar conspiracy by the oil companies to fix pump prices that often fluctuate in answer according to gas supplies and the time of year. In fact, as recently as May 7—just as the national average of gas prices peaked at 61.5 cents a litre—the industry's director, George Abby, who will conduct the investigation, assured MPs during a House of Commons hearing that similar gas prices were "the norm."

Instead of a competitive marketplace, "In turn, the petroleum industry insists that any factors, including depleted gasoline reserves and an unexpectedly cold winter that stretched oil supplies, compelled the industry to increase pump prices," said Len Bradley, executive director of the Petroleum Consumers' Foundation, a Calgary-based public awareness group founded by the industry. "The fact that prices are volatile is the main indication that there is no collusion."

Despite those assurances, Canadian consumers on a nationwide comparison shopping trip last week would have good reason to be skeptical. The petroleum industry is struggling to explain a jump in prices that some analysts estimate to be as much as 17 per cent since January. The highest level seen in 1995. Previous Gulf War-era surges in oil prices pushed gasoline up to a national average of 66.2 cents a litre. Consumer groups note that in Ontario alone, where an average of 35 million litres a day are sold, a seven-cent increase in the top 10 daily retailers by \$200,000. Fend off comparisons, industry officials note that a litre of Canadian gas costs little more than a third as much as in Europe—and half as much as a litre of milk. "When there is a drought in Florida and the orange growers all get hit, nobody bats an eye at paying three times as much for orange juice," said Mussen. Meanwhile, a market analyst with the federal department of natural resources, which tracks

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## CANADA

trends in the oil and gas industry. "But if a cold winter drives the price of crude oil up, nobody can understand why we have to use more."

Substantiating allegations that consumers are being bilked is the pump has proven to be difficult. In 1986, the last time the federal government investigated gas pricing, the Restrictive Trade Practices Commission concluded there was no evidence of widespread price manipulation. Despite as many as 200 inquiries a week during periods of high gas prices, the Competition Bureau—one of Ottawa's new levers on the oil and gas

industry since federal deregulation in 1982—has, in successive reports, dismissed virtually all complaints about the industry. In fact, the affidavits filed by the Citizens' Coalition that

have provoked yet another investigation echo the same areas of contention studied year after year: identical prices among retailers that move upward in tandem and a gap between higher and lower-cost consumer gas prices and underlying world crude.

prices. "Prices usually move quickly in reaction to each other as retailers match their competitors' prices," Addy concluded in a 1995 submission to the Commons committee. "Price leadership/followship is not an offense under the Act."

Competition watchdogs have enjoyed more success pinpointing remedies by independent station owners and officials of company managers in local markets since 1992, there have

In some areas of the country, gas pricing has become a hot political issue. As part of his party's platform for this week's election in British Columbia, NDP Premier Glen Clark announced on May 13 that a provincial commission will examine a price increase of 10 cents a litre in Vancouver since December. "If the big oil corporations aren't prepared to roll back unjustifiably high gas prices," warned Clark, "then we may have to roll them back for them."

What Clark did not mention was that of the 650 cents that Vancouverites were paying for a litre of gas at the time, 419 cents were tax related, including a four per cent local levy—one of only three municipal taxes on gasoline in Canada. (Victoria and Montreal each take 1.5 cents for every litre sold.) In some areas of the country the tax bite is much greater: subtract the cost of unrefined crude oil from the price of gas in Montreal, and motorists would still be paying about 25 cents a litre—more than 21 cents in provincial tax and another 44 cents in federal tax.

Politicians, understandably, avoid the tax issue. In Ontario, backbencher Harb, who has pursued the gas-pricing issue every spring for seven years, has not since complained about them, which account for almost half the total cost of gas. In fact, Harb dismisses the tax as a smoke screen with which the industry diverts attention from its own healthy profits—as well as its habit of overcharging consumers on its own

business supporters arising from analyzing the operational support plan. Declared Hahn, "Consumers should not have to pay for mistakes the industry makes in the speculation game." For some consumers, though, it's not a question of paying—but of taking the industry to task. On one recent weekend during Ottawa's busiest spring tourist period—the annual jazz festival—Museum and its fellow members of the Citizens' Coalition spent their time scrutinizing not Museum but roadside billboards posted outside service stations for evidence of price collusion. It has become, in a real, they say, that they will not easily stand.



*Aditya: 'a competitive marketplace'*

Documenting that people are being bilked has proven to be difficult

national socialist. Declared more should not have to pay the industry makes in the same." For some consumers, or a question of paying—but industry to task. On one road during Ottawa's busiest period—the annual tulip festival—and his fellow members of Coalition spent their time at blossoms had roadside toll-outside service stations for car collision. It has become say, that they will not easily

# Riot squads on the waterfront

A week of protests ends with a deal

The postcards on sale in the souvenir shops of New Brunswick's Acadian Peninsula picture quaint, tranquil fishing villages. The reality is different: increasingly, the newscast images from the region feature mobs, vandalism, riot squads and tear gas. Last week, after a winter of protests against the federal government's unemployment insurance reforms, violence erupted, again in northeastern New Brunswick, this time over crab fishing issues. On Victoria Day evening, up to 700 protesters in Carleton Place, Ontario, and rioters at the home and office of New Brunswick Fisheries Minister Bernard Theriault. They then moved on to nearby Shipigan and Tracadie where they were faced by RCMP riot police. The next night, the situation worsened—police used tear gas to turn back a scuffling crowd of 900. "She was bad last night—very bad,"

said RCMP Staff Sgt. Chuck Chatterway. "We almost gassed the entire town."

At the heart of the violence is a federal plan, put in effect last year, under which Gold St. Lawrence crab fishermen shared 20 per cent of their quota with poorer inshore fishermen. But the "Riftocracy"—a local term that refers to the roughly 430 crabbers in New Brunswick and Quebec who have, until now, controlled the crab fishery—wanted the plan rescinded. There is a lobster market employing about 600 dockhands; the crabbers last year pulled in an average gross income of up to \$1 million each—even with the shared quota system. In recent months, they produced a preliminary agreement with regional federal fisheries staff under which other fishermen would have been shut out of the crab fishery, in return for creating a deal that would have benefited inshore fishermen.



RCMP check cars in Shipigan, N.B., as a crab quota dispute erupts in violence.

But federal Fisheries Minister Fred McInnis insisted that the quota system continue. The crabbers then said they could fish under McInnis's plan—but only with smaller quotas. As a protest, they also kept their boats idle when the crabbing season opened on May 4—while dockhands, fish plant workers and others took to the streets. At week's end, New Brunswick Premier Frank McKenna and crab fishery representatives agreed on a proposal to settle the dispute. Fishermen ratified the deal, which calls for the province to set up a fund for plant workers who process crab—bringing at least temporary peace to a troubled and angry

MICHAEL MacDONALD in Halifax

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## Canada NOTES

### JOUSTING OVER SECESSION

A nation reaffirming Quebec's right to unilaterally secede from Canada was passed by Quebec's national assembly by 60 votes to 58, with Liberal MPs refusing to side with the Parti Québécois government. Premier Lucien Bouchard told the assembly that Quebec can declare sovereignty regardless of whether the courts rule it illegal or the federal government tries to block secession. Federal lawyers argued in Quebec Superior Court, meanwhile, that Quebec's secession could only proceed in accordance with the rule of law, and that neither international law nor Canadian constitutional law gives Quebec the right to secede unilaterally. Ottawa was intervening in a case brought forward by Quebec City lawyer Guy Bertrand, who is seeking a permanent injunction against referendums that could lead to unilateral secession by Quebec.

### BYELECTION ENTRAILS

Ontario Liberal candidate Gerald Kennedy won a provincial by-election in the riding of York South, a seat that had been held by the NDP for 41 years. Kennedy, a former food bank director, said the result showed that voters saw the Liberals, not the NDP, as the most viable alternative to the governing Conservatives. Meanwhile, Alberta Liberals held on to their seat in the riding of Redcliff in a by-election that Conservative Premier Ralph Klein had described as a "crucial test" of his government's popularity.

### SALMON WARS IN COURT

B.C. Supreme Court Justice John Cowan rejected an application by 13 independent B.C. fishermen and the provincial government for an injunction to halt Ottawa's plan to shrink the size of the Pacific Coast salmon fleet by 40 per cent over five years. The last day of the case placed new restrictions on fishing chinook salmon that mainly targeted the sports-fishing industry.

### BREAKING A BLOCKADE

About 300 members of an Indian reserve near Wabunan, B.C., 500 km northwest of Vancouver, began to return to their homes after RCMP and tactical squads used tear gas and dogs to break up a month-long blockade into the reserve by about 100 armed protesters. The police said they met only "minor resistance" from the protesters, who went to set up a reserve of their own.



### AFTER THE FLOOD

The 47,000 residents of Timmins, Ont., 560 km north of Toronto, and at least three other smaller communities nearby grappled with the worst flooding in 36 years. Officials in Timmins, Polkety, Chapleau and White River declared states of emergency as strong spring rains and deep snow melting in the dense forests swelled the rivers, lakes and streams dotting the rugged Canadian Shield landscape. In Timmins, the high waters forced more than 30 families to evacuate their homes. The flooding also resulted in the temporary closure of rail lines and highways in the region.

A flooded street in Timmins during rains and melting snow.

## A last-minute deal at the CBC

The talks lasted 3½ hours past the midnight strike deadline. But when they ended early last Friday morning, CBC management and the corporation's 7,000 assumed employees brushed a sigh of relief as negotiators announced a tentative settlement—meaning what would have been the largest walkout in the public broadcaster's 59-year history if the three unions at the CBC, two (the Canadian Broadcast Employees Union and the Communications, Energy and Paperworkers Unions) reached a settlement before the deadline. That talks between the Canadian Media Guild, which represents 3,500 CBC reporters, producers and writers, lasted into the small hours of the morning.

Both management and union negotiators, who had been negotiating around the clock all week under the direction of a federal mediator, welcomed the settlements, which had to be ratified by union members. "From here, we go on as partners and try to make public broadcasting even stronger in this country," said guild spokesman Arnold Amherst. At issue had been job security—especially CBC management's desire to contract out more services at a time when the corporation contends its four cuts in government funding. In the end, the unions agreed they were not concerned on such key issues as contracting out, while the CBC said it was open flexibility in scheduling employees and introducing new technologies.

## No reprieve for Ottawa in the Airbus case

In the first indication of the nature of Ottawa's defence against a \$200-million libel suit filed by former prime minister Brian Mulroney, federal government lawyers said that a case they are pursuing against him is based on information from their own credible sources, and not simply from media reports. However, in a pretrial submission in Quebec Superior Court in Montreal, the lawyers said that to name any informant now would jeopardize the RCMP's ongoing investigation of allegations that Mulroney was involved in a kickback scheme as Air Canada's 1986 purchase of 34 Airbus passenger jets. At the same time, they advised that after interviewing more than 90 people, the RCMP still does not have proof that Mulroney received any money.

After four years of war cooped up in a Sarajevo basement, 15-year-old Benjamen Mulabice could not resist the temptation of the first spring snow drizzle. As he and a friend explored the terrain near abandoned Serb houses—an outlawed by their parents—Mulabice copped on a land mine. It blew off his left leg. “I tried to get up, I couldn’t,” he recalled as he rested in Sarajevo’s Kosovo Hospital, starting at the bandaged stump of the leg that used to shelter his best soccer kicks. In a nearby bed, another mine victim, six-year-old Mlad Ismetovic, scrawled in a coloring book, unaware that doctors may not be able to save his shattered right leg or the remaining half of his left foot. Just days earlier, in a Monty Python play, another boy had picked up a strange cone-shaped device. It exploded, killing one woman and maiming four children. “Children, thank God, have more resources to deal with this,” said Sarajevo surgeon Faruk Kufnerovic.

But it is children who are most vulnerable to the estimated 120 million land mines that lie hidden in some 64 countries. Tossed off by a mine placed foot or wheel, they kill or maim up to 20,000 civilians annually, usually after the wars they were planted for have abated. Now, U.S. President Bill Clinton has championed anti-mine treaties—including the Canadian government—by declining to endorse an outrageous ban on its production and use of the weapons. That has made Ottawa a leader in the war against the indiscriminate devices, which the International Committee of the Red Cross calls “blind terrorists.” As a first step towards a global ban, Foreign Af-



Mine victims in Sarajevo: children are the most vulnerable



A Red Cross display shows the deadly range of mine varieties. “Blind terrorists”

## DANGER ZONES

At least 64 countries have serious problems with unexploded land mines. These are some of the worst afflicted, and the estimated number of mines:



# The hidden killers

ture Minister Lloyd Axworthy is pushing for a hemisphere “land-mine-free zone,” which will be on the agenda at a meeting in June of the Organization of American States. And Canada will host a conference in September, inviting more than 50 countries that lack an anti-mine treaty, including anti-mine laws in Germany, Britain, and Norway. “The situation is grave,” Valerie Worthington, chairwoman of the 30-group coalition Mines Action Canada, said last week. “But we’re excited about this meeting and Canada’s efforts.”

Downsizing Canada’s commitment, Axworthy recently asked a scholar to explore dangers on Parliament Hill to symbolize unexploded mines at a demonstration organized by schoolchildren and the Canadian Red Cross.

## Canada steps up the fight for a global ban on land mines

than 170,000 people are prisoners in their own towns, unable to move beyond a short radius. In Croatia, 600,000 acres of agricultural land are considered unusable. The devices—especially anti-personnel mines, which target individuals—cost as little as \$2 each to produce and as much as \$1,300 to painstakingly remove. “Some look like plastic toys and are designed to maim children,” says I.C.R. Reform MP Dr. Kerri Martin, who has

worked with victims of Bosnia’s war—six million mines. Moreover, despite a historic UN conference on land mines held in Geneva in late April, the numbers will continue to grow. Many of the 55 nations attending backed only a limited ban, wishing to keep the options open for their militaries to use mines defensively and for their armaments industries to sell them. In the end, the UN conference adopted a protocol that permits the use of “smart mines”—those that self-destruct in three to four months. It also brought in a measure requiring new devices to have a minimum amount of metal—rather than just plastic or wood—so that they can be detected and removed. But the conference made no provision for monitoring or compliance. Activists said the results marked some progress, but not so that mines will still kill an esti-

mated 50,000 people and injure another 80,000 by the time the UN group meets again in five years.

Many activists had hoped Washington would show leadership and follow through on Clinton’s earlier commitment to outlaw mines—especially after a group of top American officers, led by Gulf War commander Gen. Norman Schwarzkopf, spoke out about the weapons’ near obsolescence in modern high-tech military strategy. “We want so the children of the world can walk without fear on the earth beneath them,” Clinton declared on May 16. He ordered the U.S. army to dispose of more than two million of its “dumb” mines—those that do not self-destruct—by 1999. But he made an exception for those used in the border regions between North and South Korea, or the grounds that they are essential to the defense of the South. He also delayed his three-line ban for a global ban, among the year 2001 as the goal. Critics claimed that both moves were aimed at appeasing the U.S. military during an election year.

The disappointing UN conference and Clinton’s watered-down policy leave Canada to pick up the ball, says NDP foreign affairs critic Bill Blaikie. “We, as Canadians, cannot be satisfied by just saying we are not using them,” Blaikie

also-clearing operations

in Bosnia, the war may be over but the campaign is not. The country has been seeded with at least three million mines—from high-tech devices that jump up and explode at chest level to crude booby-trap land mines in beer cans or cigarette packs. Former soldier Mirza Rukhman, 32, was walking near his Sarajevo last month when he stepped on a brick to avoid a pothole and ended

up losing his right leg. “Thousands of people walk that path. I had veered off into the grass to take a leak,” he shrugged. “Who knows? That could have been one of the mines I had stepped on. We were told to do it.” At current rates in Bosnia, it will take 30 years and hundreds of millions of dollars to make it safe again for children like Sarajevo’s Mulabice and Ismetovic to go outside on a spring day. Helping the world of land mines would take immeasurably longer. But in the view of countries like Canada, a global ban on the hidden killers is the only way to get started.

Axworthy ends a visit at Parliament Hill protest commitment



NOMI MORRISON FOR GLOBE PHOTOS in Sarajevo



## WORLD ■ THE NETHERLANDS

# The limits of tolerance

Holland tightens its easygoing approach to drugs

There is still the Van Gogh museum, of course. And plenty of tourists stroll along the canals of the red-light district, gawking at the windows of sex for sale and the dazed Asian hookers who barely look their lips in return. But the thousands of youths who descended on Amsterdam for annual celebrations starting this May, 1995, end to the Nazi occupation seemed sootied down by another of the city's famous pleasures: its "coffee shops," where the haze of second-hand smoke gives an intoxicating, head-melting aroma of marijuana or hashish, and police obligingly share the other way. The scene may be a throwback to the long-dead pop stars Bob Marley and Jimi Hendrix, peer dreamily down from posters on the coffee shop walls. Prices on the menu cards may keep rising \$20 now for a key clip-locked packet of grass, steeped with a huge showing of crannies of amber fat. The kids keep coming to this scene of anything goes. And on Liberation Day, when they spilled—smiling, a bit bleary—

from the coffee shops into the streets, they turned Amsterdam into a drunken, stoned public zone. Not exactly what Canadian soldiers had in mind when they fought to free Holland half a century ago.

The kids had better get their dancing in now, because there is pressure to bring back the chopperettes. Twenty years after the Dutch began their unique policy of "tolerance" toward soft drugs—legal but not collectible—that indulgence is under attack as never before, partly from the Dutch themselves but mostly from prying neighbors. And though there is hardly a whiff of prohibition in the society sweet at this, a consensus that the drug policy needs tightening. "Most Dutch men feel those coffee shops stink," and I think they are right," says Prime Minister Wim Kok. He describes the growing number of illegal coffee shops and the drug tourists they attract as a "nuisance."

Far worse than that, say Holland's ag-

grieved European neighbors. "A narcotics" was the hyperbolic description of The Netherlands offered by one French legislator, blaming his country's exploding drug problem on the cheap price and easy availability of heroin and pills just up the high way to Dutch cities. In March, the French government reimposed controls along its border with Belgium and Luxembourg, the main routes to Holland—a really show of displeasure as what is supposed to be post-porn Western Europe. And a damning report from the United Nations' International Narcotics Control Board has questioned Holland's "fidelity" to its international commitments on drug control. The coffee shops' huge demand for cannabis supplies

has opened the door to organized crime, says the report, which also damned the Dutch for "allowing" the boom in do-it-yourself botany that produces and exports marijuana, a potent homegrown weed.

The Dutch government called the accusations baseless. Kok described French President Jacques Chirac's views on the subject as "highly emotional and not balanced." But as a small country of 15 million, people in an ever more interdependent Europe, it had to listen to its neighbors' complaints. The government responded by plugging its close about half of the estimated 2,000 coffee shops. Links on the sale of cannabis for personal use will drop from 30 to five And,

**Smoking wars at a festival in Amsterdam**  
**accusations at a Venice-style**

with no desire to become known as a major marijuana exporter, Holland grained a monopoly on large-scale indoor growers.

But the Dutch stand by the canonicities of their 1976 policy. Addition to hard drugs such as heroin is a health problem, they say, not a criminal one. And they contend that soft drugs are not a major health threat, so their use should be tolerated on a controlled basis. The crux of the policy is a belief that the soft and hard drug markets can be separated. Advocates contend that coffee shops, which are banned from selling hard drugs, remain the best way to insulate pot smokers from the hardened criminal subculture that

dog-barked. "Heroin is no longer a glamorous drug," says one Dutch expert. That follows heavy bills to the "designer drug." Critics and Holland's neighbors accuse the country of becoming a leading producer of that pharmaceutical as well.

But if Holland's own levels of drug abuse aren't out of control, why the best part of the answer lies in the colorful suburban housing blocks outside French cities such as Paris and Lille, where heroin use is growing, particularly, officials say, among the North African immigrant community. Crime has laid the blame on the Dutch, suggesting that drugs of all kinds are pouring through the country's biggest port in Rotterdam, abetted by law. Dutch law enforcement, critics sharply note, mentioning his own government's evidence that drugs en-

ter, says Vih with an enigmatic smile, his comradely group really laid police to sleep away, pulled a dozen or so stupefying junks from a particularly hardcore drug den, and burned the house down. No charges were laid.

With his powerful build and graying hair pulled into a ponytail, Vih looks like a traditional in a bar owner, and before that was a taxi driver, who knows every cranny of his neighborhood. "We had 155 drug houses in Spangna before the arrest. Now we have 20," he said while driving past its rows of apartments and concrete playgrounds, where he said dealers he knows. "But they're coming back. Sometimes I think we should just let the hard drugs because it would take the criminals out of the game. But then you'd get all the junkies from France and Germany coming here. If you isolate it here," he says, "you have to isolate it everywhere in Europe."

That's the rub. The European Union's borders are coming from there than the laws and social policies of its 15 countries can be harmonized. By leading in liberalizing its approach, Holland risks becoming a drug haven for all of Europe. In fact, the Dutch government wisely noted in a report last fall that the best way to defuse the criminal game would be to make the government the sole cannabis supplier, but unless other countries followed, the authorities concluded, they would just attract more drug tourism with all its associated petty crime and nuisance. No matter how much the Dutch would like to see the rest of Europe adopt their ideas, Holland, noted the report, "has been scarce for influencing the European debate than is sometimes thought."

The result is an old-style European ally fight, one more case of freedom as national cultures collide on the road to European unity. "We have to stop talking about no stop selling drugs? Did I tell you about smoking weapons when the world asked him to?" asked a young Surinamese heroin dealer named Mahomed, openly doing out packets of crack cocaine to jangled customers in a Rotterdam church basement. "I have been in the Netherlands and his staff as part of a program aimed at getting addicts off the street. It even has two rooms for smoking crack and shooting heroin—the Dutch policy of separation of markets carried to the extreme—and its presence is proof that the Dutch have been working on the problem with solutions to drug abuse. For a while, I worried that we had lost our talent attitudes towards drug abuse," said van Marburg as he slipped a beer in a Rotterdam café. "Last year, people were saying 'We don't want any drug users or dealers here because it's bad for the economy.' Now they're just saying 'We don't want any drug users here.'"

## HARD CORE

The Dutch had hoped that their liberal approach to drugs would reduce the number of addicts. In fact, the proportion of people

COUNTRY	DRUG ADDICTS per thousand people
NORWAY	1.9
GERMANY	1.5
THE NETHERLANDS	1.6
BELGIUM	1.8
BRITAIN	2.6
FRANCE	2.6
SWITZERLAND	6.7
CANADA	7.9
UNITED STATES	10.9

SOURCE: EUROPEAN COMMISSION OF OFFICIAL NATIONAL AND OTHER STATISTICS. DATA ARE AS OF 1990. SOURCE: EUROPEAN COMMISSION.

used all cocaine and heroin. "Everyone in Holland accepts that you must have a sufficient number of addicts to meet a demand for drugs that is in excess of what is supplied," says van Marburg, an addiction policy ally with Rotterdam's health service. "Of course you just drive the business underground, where you can't control it."

Statistics suggest that the number of addicts—both hard and soft—is about average for Europe. "Holland's cocaine use is somewhat above average, but not in a class of its own," says Richard Harrold, head of epidemiology at the European Union's drug monitoring center. Harrold agrees that the Dutch experience proves there is no correlation between winning at pot smoking and the number of hard drug users. In fact, he says, "politicians overrate the effect of their policies on the prevalence of drug use and drug addiction altogether." Dutch officials demand, pointing to the higher average age of their addicts (about 30) on evidence that the three methadone and clean needles they offer heroin addicts have lengthened their lives. And fewer Dutch youths are per-

son France from all sales, but the European agency's Harrold notes with a laugh that "the French government's own data doesn't justify that conclusion."

The Dutch don't like the burgeoning French market either, and wish its addicts would stay home. A backwash has developed in those parts of Holland swamped by drug tourists, and it spilled violence last year in Rotterdam's city-center neighborhood of Spangna. There is huge numbers of North African and Middle Eastern immigrants, Spangna acquired a reputation as a place to buy good-quality heroin cheap. Addicts and pushers began breaking the 200-ton drive from Lille to Rotterdam, turning the neighborhood into an outdoor drug dispensary. When Rotterdam police were slow to respond, militants decided to clean up Spangna themselves.

In what they called "the action," they closed streets to cars with foreign license plates and started those that ran their haremades. The local police, with French police to buy their drugs elsewhere. "We're not a big town, a 4,000-long Spangna resident who helped organize the protest. Their night last sum-



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study, watery eyes, sneezing and runny nose. Reactine even relieves allergic skin reactions such as hives. Better still, it does the job while letting you do yours. Objective tests prove that it has no demonstrated effect on your cognitive and motor skills. If you have any questions at all, please call 1-800-359-8855.



# If you think Reactine is different, raise your hand.



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## World NOTES

### YELTSIN'S MOVE

Russian President Boris Yeltsin said he will meet soon with Chechen rebel leader Zelimkhan Yandarbiyev. The meeting would be an important advance in the 11-year-old conflict between Russian troops and separatists in Chechnya. "The ice has begun to break," declared Yeltsin. Progress toward peace could give him a major boost in the June 16 presidential race.

### KASHMIR VOTES

Residents accused security forces of pressuring them to vote as staggered parliamentary elections in the strife-torn Indian state of Jammu and Kashmir began. Separatists who have fought a seven-year war against New Delhi claimed responsibility for a powerful car bomb that went off in the capital, killing 13. Separatists were also suspected in a bombing that killed 14 bus passengers in northwestern India. The voting, Kashmir's first in seven years, was to end this week.

### COMPUTERS FOR CUBA

The U.S. Treasury allowed a shipment of secondhand Canadian computers to be delivered to hospitals in Cuba. Customs officials, enforcing the U.S. boycott of Cuba, had seized the equipment at the California-Mexico border from a group called Partners for Peace. Minutes of the computers prompted Brian Rohrer of Vancouver to end his 81-day protest fast in San Diego. "I'm feeling good and happy," he said in an interview. "Canada's support has been incredible."

### FERRY TRAGEDY

Divers recovering bodies from East Africa's worst shipping disaster said more than 1,000 people may have died on the sunken ferry *Dakota*. The overloaded Tanzanian vessel, legally allowed to carry 441, capsized on Lake Victoria. Witnesses said it sank quickly after initial efforts by rescuers went wildly wrong. Two holes they cut in the hull allowed water to flow in as passengers screamed for help.

### CHINESE ARMS HAIL

U.S. authorities said they had arrested a spy smuggling Chinese-made automatic weapons into the country and accused officials of two Chinese state firms of being involved. Agents in San Francisco arrested one person in a sting operation after seizing 2,000 AK-47 rifles in March. The biggest such haul in U.S. history.



**DELIGHTED DEFECTOR:** North Korean fighter pilot Capt. Li Chul Su celebrates his arrival in Seoul, South Korea, after flying his unnamed MiG-19 jet across the world's most heavily guarded border. "I couldn't live under the North's system any longer," he told reporters, shouting in excitement. Lee's defection—the first by a northern pilot in 13 years—heightened tension on the Korean peninsula. Shortly before his flight, five North Korean gunboats briefly sailed into the South's waters, one of a series of incursions by the North recently. Several diplomats have also defected. The Communist North is suffering from a serious famine and continuing uncertainty over the role of enigmatic "Great Leader" Kim Jong Il.

## A very Major beef with Europe

To applause from many of his countrymen, British Prime Minister John Major vowed to disrupt EU business until the bloc was eased and a framework agreed on for its ultimate lifting. Foreign Minister Michael Maitland said the policy could last for three months or more. EU officials noted that there were limits to how much business London could hold up, since many decisions require only a simple majority rather than unanimity. EU farm ministers were also due to meet on June 3 to consider allowing British exports of beef, gelatin, beef tallow and bull semen. But Major's move appeared to be broadly popular, both in his own Conservative party and among people in the street. That led to speculation that he was preparing to call a snap summer election.

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## The crackdown on Myanmar's democrats

Authorities arrested more than 200 pro-democracy politicians in Myanmar. Formerly Burmese as they prepared for a party congress at the Vatican home of Nobel Peace Prize winner Aung San Suu Kyi. Suu Kyi said most were elected MPs from her party, the National League for Democracy, whose sweeping 1990 victory was not recognized by the ruling military junta. The U.S. state department said it would consider imposing new sanctions on Myanmar. The junta took power in 1988 amid a bloody crackdown on democracy activists and held Suu Kyi under house arrest from 1989 to 1995. Suu Kyi said she thought it was "quite possible" the junta would re-arrest her, although a spokesman said, "We have no plan for that—yet."

# The high cost of 'dumbsizing'

## Has the restructuring wave gone too far?

**T**he memories are still vivid. On a single day a little over a year ago, United Communications Co. cut almost a quarter of its workforce. Caught in a high-stakes battle for a share of the country's long-distance market, the Toronto-based company was bleeding red ink at the rate of \$1 million a day. So on Feb. 28, 1995, United's senior executives laid off 650 employees from every level of the organization. Now, after a management shakeup and the arrival of a new chief executive officer, United is on the rebound. But within its senior ranks, there is also a widespread recognition of the emotional and financial costs of large-scale layoffs—consequences that range from less morale to increased workloads and lost productivity. "We understand there are dangers," says Judy McWilliam, United's vice-president of human resources. "Downsizing for the sake of doing so is something we hope we never do again."

McWilliam's sentiments reflect those of a large number of executives, academics and management consultants. For more than a decade, big business and governments across North America

have been slashing staff, often by requiring each division or department to cut their staff levels or budgets by a specified percentage. "But how the other people who had the experience," says Gortz, "and you have the younger people who had the energy?" United's McWilliam notes that the people who remain on a company's payroll after downsizing often suffer from poor morale and high levels of stress. "We've learned it is important to pay a lot of attention to those who are left," she says. Otherwise, the "survivors," sometimes including the company's most talented employees, may be tempted to quit for the next wave of downsizing, this time with the intention of joining themselves. "The brightest people say, 'I'm going to get a new bag of gold if gold is unavailable. I can get another job and still have the bag of gold'—and then they leave," says Cooper.

The result, according to Wall Street analyst Stephen Bosch, has been the "following out" of a growing number of large corporations. "I think a number of firms cut too much," says Cooper. "In one, that says the downsizing was often used as another way of performance management. Instead of dealing with people and coaching them, they said downsizing to get rid of them."

Another common complaint is that downsizing often ruins companies at their best employees. In many corporations, early-retirement schemes were introduced as the first wave of cost-cutting. The oldest and most experienced employees took lucrative early-retirement packages as corporations sought to "buy back jobs" to meet new employment targets.

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McWilliam with employees at United Fast Freight taking jobs and - morale

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workers applied for the severance packages, 15,000 have been approved. "I think companies generally have recognized that setting layoffs targets without any rationale is pretty silly and can have a negative impact," says Gortz.

In other cases, companies have managed to avoid layoffs altogether by working with employees to find alternatives. An example is Nextel Fast Freight Inc., a Mississauga, Ont., trucking company with about 220 workers. After the company hit rough times in 1991, the employees agreed to give up their bonuses and accept a 10 percent reduction in hours in order to save jobs.

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### LEANER AND MEANER

In a survey published in 1994, executives at 144 Canadian companies were asked about the effects of downsizing. Most reported that their efforts to restructure had resulted in higher employee workloads and lower morale. In a majority of cases, productivity and customer service also suffered.

Percentage of companies reporting an adverse aspect at:

Workloads	70
Morale	59
Commitment to company	47
Job satisfaction	43
Ability to retain high performers	30
Ability to attract quality employees	24
Quality/customer service	13
Willingness to take risks	11
Productivity	11
Workforce competence	10

company last year, Montreal-based Bell Canada launched a three-year drive to cut 13,936 of its 45,000 workers in one of the largest corporate restructurings in the country's history that since earlier downsizing efforts in the 1980s. Bell wanted to make sure that it did not lose large numbers of valued employees. The company's solution was to invite its players to apply for voluntary severance packages, while retaining the right to select those requests and decide who would be eligible. "It's been a gradual process—giving employees as much notice as possible, removing work that's redundant and shifting work to areas where it can be done more efficiently," says Harold Gilek, a senior vice-president with Bell human resources. In all, some 16,000 Bell workers applied for the severance packages, 15,000 have been approved. "I think companies generally have recognized that setting layoffs targets without any rationale is pretty silly and can have a negative impact," says Gortz.

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## A remedy for price haggling

**L**ike most people who find themselves in the market for a new vehicle, Mark Langeau decided the prospect of haggling with a salesman at his local dealership was a necessary evil. So after setting out on a Ford Windsor GL minivan, the 35-year-old recent pilot worker paid \$25 to a consumer information service for a computer printout detailing the wholesale cost of the van and associated options, including air conditioning and fitted windows. Armed with that information, Langeau and his wife, Dorcas, visited the only Ford showroom in their home town of Woodstock, Ont., and agreed to a \$225 markup over the dealer's cost. Excluding taxes and freight, the couple paid about \$24,000, compared with a suggested retail price of \$24,750. "These dealer-cost numbers gave us some confidence that the price I was paying was not exorbitant," Langeau says.



Langeau driving a Ford Windsor

Slowly but surely, the use of dealer-cost prices as a negotiating tool is catching on among car buyers. The idea is simple: rather than trying to bargain down from the suggested retail price—the "sticker price"—the customer starts with the wholesale cost and then offers what he or she believes is a fair profit for the dealer. The strategy is most common in the United States, where information on vehicle prices is available from dozens of organizations. In Canada, the only

how industry contacts who feed them the prices. Paul Timoney, the owner of Auto Hotline—formerly Greenleaf Information Corp.—admits that his service helps dealers by discouraging consumers from making "ridiculous offers."

Timoney took over the service—which charges \$25 for information on one car and \$145 for any additional vehicles—in 1994 at

ter as original owner ran into all manner of problems. Since then, Auto Hotline has had a low profile, in part because the company has found it difficult to purchase advertising space. Auto Hotline did run ads in *The Globe and Mail* in 1994 and 1995, but the paper later refused to accept Timoney's ads after receiving complaints from local car dealers. "They were quite upset that we were allowing somebody to advertise information that they felt was misleading," says Grant Crobie, the paper's general manager. He adds that the *Globe* rejected Auto Hotline's ads because "we have no way to confirm what the actual prices are."

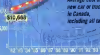
The AFA advertises its service is a quarterly magazine mailed to 13,000 consumers across the country. Members pay a \$52 annual fee which, among other things, entitles them to wholesale-price information on two vehicles per year (from members pay \$25 per car or \$30 per truck). And for those who wish to avoid negotiating

entirely, the AFA has signed up 20 auto dealerships who have agreed to charge members a fixed markup of between \$300 and \$1,000, depending on the vehicle. "There's no cut-and-throat game and no haggling," says AFA president George Joy. "Everything is on the table."

That no-haggle approach appealed to Michael Schweitzer, a 38-year-old Toronto-area, who joined the AFA a few days before buying a new car in mid-May. Schweitzer, a training manager for the Independent Order of Foresters, paid \$20,500 plus taxes and freight for a 1994 Acura Integra RS with air conditioning, a CD player and an alarm system. The list price was \$22,650, says Schweitzer. "I knew I couldn't get a better deal."

the highs and lows, daily price changes and trading volumes to be reported. The basic monthly cost covers five stocks, with additional stocks costing \$1 per stock. The service is available to all major North American stock exchanges.

For at least one investor in Calgary, the service is well worthwhile. "I've planned with it and I think I would be absolutely lost without it," says the woman, who asked not to be named. "It's easy to know the movement of your stocks as things happen during the day, rather than have to wait to read about it the next day." About 300 people across Canada have signed up for TradeAlert papers since they were introduced in early May in Montreal, Ontario is hard at work on its next project—a paper that sends e-mail and satellite customers when they have an important message that needs answering.



STIMLEY WIN

**FORECAST:** HOME RENOVATIONS After a disappointing year for the industry in 1995, Canadians are looking to spend more money this summer on household renovations. A Canada Mortgage and Housing Corp. survey predicts that consumers will spend \$13.4 billion on renovations in 1996, up 4.3 per cent from 1995. The CMHC says a growing number of homeowners are upgrading their houses instead of moving. It attributes the upsurge in renovations to a stronger economy and the fact that many consumers put off doing work around the home last year.

## Tracking the trades

Dan Bell is hoping that new technology will help his customers make better financial investments—while improving his own bottom line. The Vancouver-based financial adviser has supplied some of his largest clients with a new electronic paper that allows them to follow minute-by-minute changes in their stock portfolios. The service, developed by DataLink Systems Corp. of Vancouver, costs \$39.95 a month, but Bell is picking up the tab for four key clients, one each in British Columbia, N.S., and Saskatchewan and two in Vancouver. "It helps my clients who follow the market closely to stay in touch," he says, adding that all four basic stock portfolios in excess of \$50,000.

Known as TradeAlert, the paging service is being marketed across Canada by Cantel Paging, Inc. Davis, Ontario's vice-president of business development, says that customers who sign up for a paper can select the stocks they wish to monitor as well as



REUTERS/ALAN WATSON

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Elms' guide downplaying her own financial risk

## The fund stars

North Americans have always loved mutual funds, and mutual fund investors are no exception. With more than 3,000 funds vying for attention across Canada, fund companies are increasingly promoting the reputations of their portfolio managers—invested parties such as Sir Coleman at Alton Investments Inc. and Kilo Delaney at C. A. Delaney Capital Management Ltd. "What Wayne Gretzky is to hockey," says John Kinsell, research director at the Investment Funds Institute of Canada, "these managers are to the mutual fund industry."

But what exactly is the role of a mutual fund manager? According to Kinsell, there are no industry guidelines spelling out a manager's duties. In fact, as some cases, it appears the manager is little more than a financial jockey. Recently Toronto-based O'Donnell Investment Management Corp. landed a reputation for renowned Wall Street analyst Elaine Garfield, best known for warning of a possible downturn in the market prior to the 1987 crash. Hoping to attract investors, O'Donnell has hired Garfield to run its new \$1.3-billion American Sector Growth Fund. But when reporters asked her about the unimpressive performance of a U.S. mutual fund she helped run from 1987 to 1994, the Wall Street legend quickly downplayed her involvement. Although the fund befell her in manager Garfield said, its stocks were actually picked by analysts at Boston Co. a U.S. investment firm.

Ultimately, says Thomas Doherty, Ontario regional director of the Investment Dealers Association of Canada, the odds are on consumers to sift through the hype. "Consumers are perfectly able to take care of themselves," Doherty said. Canada's mutual

## Ethical investing

There are now 15 mutual funds in Canada that meet according to socially responsible criteria, compared with only one a decade ago, says Eugene Elms, editor of the Canadian Ethical Money Guide. According to the Toronto-based Social Investment Organization, a nonprofit group of investors, business leaders and interested parties, 90,000 people have invested a total of more than \$2.2 billion in ethical equities in Canada. The SIO publishes a quarterly newsletter to help investors track the performance of Canadian companies or without ethical reasons, including workforce diversity, the environment and international investment.

## Affordable housing

Houses in most parts of Canada are more affordable now than at any time in the past decade, according to a Royal Bank study. The quarterly survey measures the proportion of median pre-tax household income required to make payments on a 25-



year mortgage, property taxes and utilities on a typical owner home. The study shows that the most affordable markets are in the Atlantic provinces and Alberta, and least affordable in British Columbia.

## Plastic heaven

Canadians led the world in the use of plastic dishes in 1995. In the first quarter of 1995, consumers used their credit 130 million times, buying goods and services worth \$19 billion. Interac, an association that represents financial institutions, expects a total of 750 million transactions this year, almost double the 1995 figure.





# Peter C. Newman

## The anatomy of a bungled investigation

**E**ven in an age when the courts allow O.J. Simpson to go free and don't jail Dorothy Faudine for having punched those six pistol shots into her estranged husband, Ottawa's behavior, which prompted Brian Mulroney's current fief out, seems bizarre and beyond the bounds of acceptable justice.

That doesn't mean that Mulroney is innocent—or does it mean that he is guilty. It does mean that he hasn't been granted the essential principle of our judicial system: the presumption of innocence, until he is proven guilty.

The former prime minister stands accused by Ottawa's justice department of having received bribes for government contracts. Last week's decision by the presiding judge to drop the prosecution's plea to postpone presentation of its case for eight months or more at least reduces the time element in this nasty confrontation, but does nothing to alter the injustice of his handcuffs.

It is difficult to reconstruct precisely how this precedent-shattering situation came about, but from sources within the justice department, several fascinating strands of conjecture cut some light on what actually happened. First of all, in the case in which this is not a sting, Senior judge at Justice and the RCMP are not out specifically to show Mulroney they can catch a man concerned with saving their political skins.

Ever since the Mulroney years ended, serious accusations have been leveled at the Conservative government, some involving the former prime minister himself. For the administrators of justice simply to ignore these allegations because investigating a PM isn't done in a polite society would leave them open to accusations of a massive cover-up. Justice's terror determination to drive this case home is based squarely on that self-protective sentiment.

That was why on Sept. 29, the department sent that infamous letter to Swiss authorities, accusing Mulroney of "criminal activity" and of having "defrauded" the Canadian government by accepting \$5 million in kickbacks from Air Canada's \$1.6-billion purchase of 34 Airbus planes in 1984, while he was still in office. The note requested that Swiss authorities shutter the vacated account of their banking system by freezing any of Mulroney's accounts, plus those of two alleged co-conspirators—for one New Zealand promoter-turned-bobbyist, Frank Messers, and German-Canadian businessman Karlheinz Schreiber.

The reason the letter reads much more like a criminal indictment than a reasonable request for confidential information is that Swiss authorities seldom pay much attention to reasonable requests. They require overwhelming indication to break their national code of protecting the identity of numbered bank-account holders.

The Canadian authorities thus had to deliberately exaggerate

their brief, claiming, in effect, that they already had damning evidence against Mulroney and merely needed Swiss co-operation to demonstrate where he was hiding his booty. Justice insiders stress that this isn't an unusual tactic and that it has been highly useful for obtaining co-operation from foreign governments—and has led to subsequent convictions. (They read out an average of 106 such requests a year—but never before involving anyone as prominent as a former PM.)

Such recommendations are ruled on by a Swiss judge, who receives a recommendation from his country's justice department and has the power to order banks to open their books. What the Canadian officials ought to have realized is that this is a non-judicial procedure. It is not just some secretive bank functionary receiving the exco's judgment—the order goes to every bank director, ordering them, on pain of personal liability, to freeze the accounts involved and disclose their contents. Such a wide distribution almost guaranteed a media leak, something as it did the controversial former PM at a G-7 country.

Ottawa's request was a fishing expedition launched at the initial stage, not the end or even the middle of the investigation of Mulroney, whose international reputation rest crunched in the process. Ottawa's plea to have the presentation of its side of the likely argument postponed could be an admission that it still hasn't gathered enough evidence to make a strong case. Perhaps because it doesn't exist.

Mulroney has weakened his position somewhat by naming the government the \$80 million, gossiping critics to accuse him of turning the situation into a potential money-maker.

But the former PM is well aware that the largest libel award in Canadian history, prior to a recent \$1.6 million award to the Church of Scientology, was for \$100,000.

Mulroney seems concerned that the justice department's serious concern of judgment in handling his case have created a gross injustice that can only be alleviated if he is fairly and publicly absolved. One of his former chiefs of staff, Stanley Hart, believes the case threatens the most important freedom we have: "The main issue is the casual disregard of the rights of an accused," he says. "The British system of justice, which we have in this country, is the fairest there is, because you're presumed innocent till proven guilty. The Crown has the burden of proof beyond any reasonable doubt, and you have the right to confront your accusers in an open court and answer their evidence. None of that has happened in this case, which has seen the justice department being curious about its use of evidence and casual about the presumption of innocence. This should send shivers up and down our spines, worrying that, because of this case, the state can now do anything it without having the burden of proof in its possession. That our system demands."

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BY JENNIFER WELLS

**T**he two pulls out of Atlanta Airport and heads toward town, past the undimmed Olympic stadium, past the headquarters of Coca-Cola Co. "You goin' to Boulder?" where the rich people live," the cabbie observes. Rich Republicans, judging by the crowd that has gathered for an investment conference here. They move in packs, clutching their matching designer tote bags. Some are sneezed, many sport a Brinks bag of gold jewelry. This is a hard-money crowd. They are long-term believers in gold, and they love the hit, when it comes, from a ramp in a junior stock. And so, while their political sensibilities heighten the appeal of a scheduled appearance by Georgia Gov. Newt Gingrich, they are really here to touch the mantle

**In the wilds of Labrador, Robert Friedland struck the mother lode. No wonder everybody wants a piece of him.**

# Canada's Next Billionaire

of Robert Friedland, stock promoter neophyte.

Two years ago, at this very same conference, Friedland was pitching a company called Diamond Fields Resources Inc. and its fabulous prospects for vacuuming diamonds off the shores of Nunavut. The following year, he was telling a very different story, of how Diamond Fields had struck the mother lode, not in Nunavut but in Vasey's Bay, Labrador, and not on diamonds but on a most precious commodity—nickel. Held on to your shores, delegates were told in '95, Diamond Fields was destined for takeover, and a high-priced one at that. This year, Friedland does not have to push Diamond Fields at all, because the junior company really did strike it rich on nickel, and not just run-of-the-mill stuff, but the richest. And it did become a takeover target, with nickel giant Inco Ltd. of Toronto clamoring the price for \$4.5 billion. Sometimes Friedland likes to say Vasey's Bay is the mine find of the half-century. Sometimes the whole century. It does not really matter. Big is big.

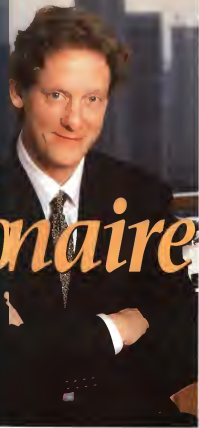
And so this year is cause for celebration. For Friedland, Diamond Fields has meant an increase in his net worth by about \$200 million. The stock has also made stage attendees a very nice sum, including one who does not like Friedland much, but who made a million and therefore has to give him credit for that. Another investor, Zim Boulos, president of an office-furniture company in Jacksonville, Fla., says Diamond Fields did not make him a million, but it did make him the equivalent of four years' salary. He has renovated his home and bought a retirement place in Aspen. The buzz in Atlanta is which stock will help investors go 10-for-1, 20-for-1, 100-for-1 on their money.

Everybody wants a piece of Robert Friedland. As he moves through any crowd, people tag in his

arm, whisper in his ear, point oodles into his palm. He has not changed much since he got into "the mine" 15 years ago. Still slender; blond, not grey. This again, he is just 46 years of age. As usual, he is blue-eyed from his persistent transatlantic travel, his love of the dead, his insatiable desire to tramp his latest scheme. Front and center in this year's spotlight is Indonesia. Goldfields Inc., a move-to-public company on the hunt for gold and copper in Indonesia. Friedland crafts his promotions, talking them up in ever widening circles. He has been working this one up for four years. By the time the company goes public, investors crave the shares as badly as a drug addict craves a fix. Or so he hopes.

In front of a crowd maybe 100-strong, Friedland outlines the merits of Indonesia. Leaning against one wall, a man named Neil Salech listens intently. Salech is chief executive of Nescor Inc., based in Austin, Tex. Nescor has a copper project in Mongolia—not a mine, but rather a plan to "thru leach" copper from the waste dumps of the Erdene mine. Nescor will leach the copper by sprinkling it with an acid-based water solution, extracting the metal

Friedland in his Singapore office: insatiable desire



from the rock. Friedland has 35 per cent of Nescor. Outside the conference room, Salech talks enthusiastically about his new partner. "We're not looking at a billionaire wannabe," he says. "We're looking at a billionaire genuine. By the time Indonesia's done, it's there."

But Friedland's story is about more than money. Last week, when Inco sent its shareholders at its annual meeting, there was no trumpet voluntary accompanying the approval of the Diamond Fields takeover. There was, instead, a lawsuit. No big mining tale would be complete without one. Filed the previous week in Dallas, the suit alleges that Jean Boule, Friedland's partner in Diamond Fields, sold certain assets to the company, breaching his fiduciary duty to an inactive exploration league called Eudorus Corp. The plaintiffs include a Dallas businessman, whose Boule has been battling in the courts for 10 years, and the family of Kuwait businessman Farid Al-Awadi. Friedland is named in the suit for participating and conspiring with Boule. Further, the suit alleges that Diamond Fields used confidential Eudorus information to gain credibility in the marketplace, which, in turn, assisted the raising of financing for Vasey's Bay.

Through the takeover negotiations for Vasey's Bay this spring, which pitted Inco against Falconbridge Ltd. of Toronto and both companies against the feisty one-day-making skills of Robert Friedland, attempts were made to settle with the American plaintiff. Rick Fryar, a Houston-based lawyer acting for the plaintiffs, says talks were initiated by lawyers for Jean Boule and subsequently pursued by Diamond Fields. A typically shrewd Friedland says Fryar is a "business deal guy," but a source close to the case says Diamond Fields did approach John Senoson, one of the litigants, with an offer of a \$1.2-million settlement in January.

Jim Maloney, Diamond Fields' counsel in Houston, says the company's position is that the lawsuit is nonsense. "We listen to Mr. Fryar's amplified cries with some interest," he says. "There could be more noise in the sitting Michael Bang, a lawyer based in Denver, says his client, Lydia Talbot, intends to sue Jean Boule within the month if he does not hand over \$60,000. Diamond Fields shrugs the suit side is swell. Meanwhile, Adrian Duganitis, the former Vancouver Stock Exchange fraud-buster, phoned Fryar last week. "He's anxious to get us to hire him," says Fryar. "He apparently knows all about Robert Friedland."

The lawsuit led a shrewd second Inco's annual meeting, which a while ago, after all the best of times. Friedland was in Singapore, doing the dog-and-pony tour for Indonesia Goldfields. This week, he will be selling Indonesia to audiences in New York City, San Francisco, Vancouver and Toronto. A closely executed takeover would have advanced the corporate abolition of Robert Friedland. It has not been granted yet.

Bob Friedland, fresh from a post-workout shower, slides his feet out of his black sandals and gold-beribboned French loafers and curls himself up in an armchair in his Backham hotel suite. He has, for the time being, finished with the ropes Vasey's speech, of how the ore body was not stumbled upon, but rather the result of diligent basement hunting, of how it is raked





## THE FRIEDLAND EMPIRE

Robert Friedland's major business interests (in brackets, his ownership share)

**INDOCHINA GOLDFIELDS LTD.**  
(48.2%) An environmental mineral exploration and development company hunting for gold and copper in Indonesia, Myanmar (formerly Burma), South Korea, Tajikistan and Vietnam.

**DIAMOND FIELDS RESOURCES INC.**  
(12.9%) Originally set up to explore for diamonds, the company discovered a major nickel-cobalt-copper deposit near Vasily's Bay in Northern Labrador in November 1984. Last week, local shareholders approved a takeover bid for the company.

**ARMADA GOLD CORP.**  
(51% holding in Nispor Minerals Inc.) Currently merging with Nispor Minerals Inc., which is developing a copper-recovery project in southern France, near the Mexican border. This Canadian company, which will retain the Armada name, will become the region's largest producer of copper and gold, with production due to begin in 1990.

**FIRST DYNASTY MINES LTD.**  
(35% family-held First Dynasty has mining interests in Indonesia, Myanmar and Kazakhstan. It also owns a gold project in the Mayo Mining District of the Yukon. 740 million shareholders of First Dynasty.

**BAKYCHIK GOLD PLC**  
(9%) A London-based company with a major interest in the Bakychik mine in northern Kazakhstan, estimated to hold 20 million ounces of gold.

**SHANGHAI LAND HOLDINGS**  
(52%) Purchased with Royal Plastics Group Ltd. and the China Disabled Persons Federation in a Shanghai-based joint venture to build shopping plaza, apartment buildings.

**CD RADIO**  
(93%) A projected subscription-based digital radio service currently seeking Federal Communications Commission approval in the United States. The stock is held in Danne Friedland's name.

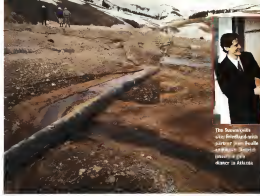
baggage. In December, 1986, he resigned from Bowdoin for what the register there calls "personal reasons." His grades were in good order; he is prickly about that passage. "When I was 19 years old, I got into trouble for an involvement with LSD," he says. That offense was later expunged. "Everybody has done something that's a youthful indiscretion," he says. "When you were 17 and stole a candy bar from a store. The fact that I was a university professor. That I hung around with people from the Gated Dead. That I smoked marijuana and took LSD. When you look at the state of the union address, you see three people there: President Clinton, Vice-President Al Gore and, in the background, you see this fellow named Newt Gingrich, who's the speaker of the House. And all three of them in the 1980s were identified marijuana smokers, at a minimum."

There is no line to examine the pedigree of someone who compares selling acid tabs to smoking crack bars. Friedland does have a point about a possible implication on past transgressions. But there is much Friedland lore that sets him apart from the mining fraternity in which he operates.

Friedland switched to Reed College, in Portland. Friedland's 350-page undergraduate thesis, *Taoism: A History and Economic Analysis*, was a severely self-censored analysis of Third World politics and development. There is a symmetry between the humanistic thinking of the 24-year-old college student, his penniless wanderings and the developing world philosophies that would steer his billion-dollar venture-capital future.

Canada, and its freewheeling financial markets that ease the pricing of equity capital, was the cradle where the Natural resource companies became Friedland's mother. Both the Alberta and Vancouver stock exchanges are check-black with socialist shells, market-oriented corporations with an exchange bias. Promoters take over the shell and plow in fresh assets. Private investors, who help finance the company before it goes public, are rewarded with socialist cheap stock. Like a golden snail, Robert Friedland came into Vancouver, a New Age promoter the likes of which had not been seen before.

In the 1983 prospectus for Galactic Resources Inc., Robert Friedland is described as president of that company, a self-employed tree farmer in Guelton, Ont., and a purchaser and



The Sumasville site. Friedland with partner John Beale (left) and a worker in Atlanta.



De Zen waiting a Royal house, reflecting the look concept seems so right for developing countries, that his dream is no way sounds absurd.

## UNDER A PLASTIC ROOF

In the foyer of the loan version of Yle De Zen's Royal house is one of those ceremonial pictures that chief executive officers like to keep about. This one is of De Zen and Argentine President Carlos Menem. Earlier that year, De Zen's Royal Plastics Group Ltd. began construction on a factory in Buenos Aires that will soon begin applying out the plastic panels to make houses like this one. Inside, the wood structure sweeps, the gas fire lends that home-and-heart-plastic, the plastic walls have been cleverly treated with fashionable line finishes. Then, De Zen believes, is the house of the future. "Especially the lady, they love this house," he says. "It's the first maintenance-free house in the world. It costs every one or two years? You forget? You do other things."

And you would be mistaken if you called it a plastic house. That description, says De Zen, ignores the fact that the polyvinyl chloride panels are filled with concrete. Call it a Royal house. It is the smaller, loopy version that marks the growth of this suburban Toronto company. Royal has shipped its houses to Peru, to Angola, to Japan. The company is doing projects for Hawaii, a school for St. Martin. With Robert Friedland, there are big plans for China. The future is limitless.

De Zen has some idea of what the future could be, and it is not small. He envisions a company three times the size of General Motors, which had sales last year of \$250 billion. That is the plan. Revenues in 1993 were \$335 million. De Zen, who arrived from Italy in 1966 with \$30 in his pocket, is so unimpressed, and the

concept seems so right for developing countries, that his dream is no way sounds absurd.

Paul Singhania, a San Francisco-based fund manager, calls De Zen "the Henry Ford of housing." It is understood that Canadian had managers, whom he finds "a little bit provincial," have not caught on to the company in a bigger way. "They all like it, but they because they all want to be the investment banker. But none of them see the global vision," Which is, he says, "a company that will grow from \$600 million in revenues to \$6 billion 10 years from now," he says. "It will come from having 10 plants in China, five in India. Concrete houses in the plastic shell will be what solves the problem."

Meanwhile, De Zen continues to refine the Royal house look. He is pursuing owners and developers, like one, James, is planning to build a 20,000-square-foot version for himself just north of Toronto. Housing, for De Zen, is a lot's choice, without which nothing holds. "When you have a house," says Vic, "you marry, get the children, create something, you take the look, the water, you make a life. If you don't have that, you're never settling."

J. W.

developer of mining properties, Galactic was Friedland's first big stock score, and his most infamous. Through Galactic he oversaw the development of the Sumasville gold mine, in the San Juan mountains of Colorado.

In 1986, Sumasville Consolidated Mining Co., a subsidiary of Galactic, started production at the site. Sumasville was a heap-leach project, with cyanide used as the leaching agent to leach the gold from rock piled in huge bins atop plastic liners. The heap-leach idea is the early 1980s gold rushman's investor alibi, moving distant ore bodies too expensive to mine by conventional means. Friedland projected that Sumasville, which had been mined on and off since the late 1800s, was capable of producing 110,000 ounces of gold annually. The heap-leach facility was designed as a zero-discharge system; there was to be no runoff into the adjacent Alamosa River. No Grande watershed.

Sumasville was plagued by problems from the start. According to documents filed with the department of health in Denver, pollutants from the leaching process were detected in water in the drain system in the summer of 1986. Between June and October of 1987 there were mass cyanide uprisings at Sumasville. By the end of that year, the Water Quality Control Division of the department of health was issuing orders of violation. In September, 1990, the Environmental Protection Agency inspected the site after receiving anonymous calls about illegal discharges. The EPA warned the Water Quality Control Division to take

enforcement action, which it did the following February. By November, 1992, the company was facing \$40 million in costs for environmental stabilization. The following month, Sumasville Consolidated declared bankruptcy. Galactic followed suit in January, 1993.

Much has since been made of the Galactic mess. A report on the site by Knight Friedland and Co., Denver based consulting engineers, documents a complex history, including degraded water conditions, that long predated the arrival of Friedland. But it also clearly states that the activities of Sumasville Consolidated caused further problems and contamination of the groundwater and metal contamination from the exposure of reactive sulphide rock.

Friedland has been saying for more than a year that he would contribute to a voluntary effort, independently arbitrated, to clean up Sumasville. A "Good Samaritan" gesture, he calls it. But, he adds, "I am not responsible for any alleged or real environmental problems at Sumasville. And I mean it. And it's true." Friedland resigned as chief executive of Galactic in June, 1990. In November, he resigned his seat on the board. After Friedland's reported as CEO, Galactic continued negotiations to merge with a company called Cerrospiga Resources Ltd., whose CEO was Ben Johnson.

As much as Friedland would wish the Sumasville debacle to disappear, he has played a role in keeping the story alive. The week before the Atlanta gathering, Friedland and three other former officers of Galactic filed affidavits in the Supreme Court of British Columbia trying to block the release of documents from Galactic board meetings during their watch included in the court filings was a 10-page federal grand jury subpoena, issued last December to a Denver law firm that once represented Galactic. The subpoena calls for the release of documents exchanged between that

law firm and Friedland and his co-plaintiffs. It is the most glaring evidence yet that U.S. authorities, who have indicted of Summitville mine manager Samer Buckner and environmental manager Tom Chisholm, want to find out what Friedland knew and when he knew it.

According to affidavits filed in Vancouver, Galac's Denver counsel made a presentation to the board in June, 1986, at which Friedland was present, to report an environmental matter at a number of Galac's properties, including Summitville. In November of that year, the Denver firm billed Galac for a memorandum that "expressly dealt with the legal liabilities of Galac's direction."

On May 2 of this year, the trustee in bankruptcy for Consolidated Summitville pleaded guilty on behalf of the company to 40 felony counts, the majority related to the earlier discharge of unauthorized pollutants. The fine was set at \$10 million, the maximum. The plea agreement, says assistant U.S. attorney Kevin Fitzgerald, is a plea that significant crimes were committed at the mine.

Friedland maintains that it "is open to question whether any form of disaster, with a capital D, occurred."

His trial date has yet been set for the proceedings against Buckner and Chisholm. "The mine has since reassured, as a consultant to New Mexico's Newscor in Mosquitos, [Robert] had nothing to do with Samer being involved in this project," says Solich, who met Buckner through Gerald Wyman, who, in 1987, was president of Summitville Consolidated Mining.

After Summitville, Friedland kept his head down. That was unusual, but he ended up securing the leaden on that one too. He never responded. "It simply didn't get the interest," he says of that project. "We're not God." A longtime peer, who vividly describes Friedland as "brilliant, ruthless, greedy and very nasty when he wants to be," says some investors shared the former golden boy. "A lot of people wouldn't put five pennies with Friedland because he's bugged them in the past."

On April 6, 1990, a company called Rutherford Ventures Corp. filed a lawsuit in Federal District Court in Denver, which then commenced trading on the Vancouver Stock Exchange. Friedland and Boule put several million shares at 15 cents a share. When the Diamond Fields stock first broke, Friedland could not have been surprised that detractors saw it, as he puts it, as a "promotion," an "exaggeration." The criticism was leveled not just at Friedland but at his Diamond Fields boardmates, Jean Boule and John Bortner.

It was, in fact, Jean Boule who brought the idea of a diamond mining partnership to Friedland in the first place. And while the mining crowd was very familiar with Robert Friedland, few had heard of Jean Boule.

Jean Boule is sitting maned straight in his Redwood suite. He has jetted in from his home in Mexico, to which he moved a



With wife Barbara in Atlantic Ocean for celebration.

## Friedland has offered to help clean up Summitville

year ago from Boise. Born in Merritt, Boule attended school in Cape Town, and later spent the better part of a decade working for the De Beers diamond mining cartel in Zaire and Sierra Leone and Antwerp, Belgium, before he established European Diamond Importers and Cutters in Dallas. Various Boule brothers on up business there, too, including Benji, who established De Beers Diamonds and Jewelry, an upscale Dallas shop.

In 1984, Jean Boule started exploring for the gems, first in Minnesota, then in Arkansas. "I spent a little bit of time with Gov. Clinton explaining to him that this could be important to his state, and to the nation," says Boule, whose manner is retiring. His speech is soft-spoken. In 1983, Boule formed a company called Arkansas Diamond Development Co., in which Boule had a one-third interest. To do exploration work on the Crater of Diamonds State Park in Arkansas, the Al-Awada investment paid over \$335,000 in the project. The Stephens family of Little Rock, Ark., whose Stephens Inc. is one of the largest oil well drilling interests in Arkansas in the United States, took another third.

Two other companies, along with Arkansas Diamond, are still in the running to commercially develop the Crater of Diamonds, should Arkansas ever ever up mining again. "I can do a pleasant deal in developing the Arkansas project," says a former partner who has since had a falling-out. In the 20 years before he moved to Vancouver with Diamond Fields, Boule accumulated a men of lawsuits, the British charges being only the latest.

At the gala dinner at the Atlanta conference, Jean Boule and Robert Friedland presented the local area foundation with \$6,000 Diamond Fields shares, worth \$3.2 million on that day. They will, says Friedland's public relations person, be some big donation in Canada soon.

Zin Boule did not buy into any of Friedland's various stock ideas this year, but not because he has turned off the promoter in any way. In the early 1980s, Boule was a Galac shareholder. "It made a nice run," he said of the stock. "You had a chance to go 10-1 or 20-1 on your money before they had those problems with the mine."

That is the way this crowd sees it. Galac's, says Boule, was not Friedland's fault. He says he did not buy the offerings because the junior mining game has been too pretty for too long. "Maybe we're in the 7th inning."

The elevator takes on a load of conference attendees. The mix has moved to. And outside on Wackerly, Atlanta's main drag, the traffic has been clogged by Friedland's spring gathering of black college kids held each year in Atlanta.

The more elderly and far more white, investment crowd is perked up by one rider's assertion that "the smartest man here is Robert Friedland. And the luckiest." There is a general murmuring agreement. The elevator stops. "All you emperors have a good evening now." □

# People

Edited by  
BARBARA WICKENS

## Making music for the love of it

Quebec City pop group **Les Allumés** have come a long way since just a year ago, when they were playing music and writing songs in one of their living rooms just for the fun of it. Last week, Sony Music released their spontaneously titled debut CD. Topping that, they are in the midst of a 25-city North American tour opening for Canadian pop diva **Celine Dion**. The band members—lead singer Jacques Desjardins, keyboardist Eric Fiko and guitarist **Mathieu Dandurand**—got together after quitting other bands. But things turned around when they signed on with manager **Schaeffer Neveu**, whom



Dandurand, Groulx, Fiko: from living-room practices to touring in just one year

they call "the fourth attorney" and who is well connected in the Quebec music scene. "Now, we're opening for Celine and our songs are on the radio," says Groulx. "But the best part of this whole adventure is that we are still making music for the love of it—we're just doing it out in public now."

## Protecting a model image

For Canadian supermodel **Linda Evangelista**, it is common to see her face everywhere from TV ads to magazine covers to billboards. But until now, the St. Catharines, Ont., native has not been a political party symbol—and that's the way she intends to keep it. Last month, the National Front, an extreme-right French political group led by the controversial **Jean-Marie Le Pen**, used a painted image of the model dressed as Joan of Arc to advertise a political rally. An outraged Evangelista, her modelling agency, Elite, and designer **Karl Lagerfeld**, who took the photograph used to make the poster, took the Front to court. Backing the group from using Evangelista's image, the French court awarded her \$11,000 in compensation. Now, the two have launched a civil suit against the National Front for an unspecified amount in damages. A spokesman for Elite in Paris says that while Evangelista does have philosophical objections to the party, the main reason for suing was the use of her image without permission. He added, "That is the basic right of a model."



Evangelista: 'the devil right'

## A newcomer's debut of offers

Canadian author **Susan Moloney** will not finish writing her new novel until September, and it will probably be a full year after that before it reaches bookstores. But already her well-oiled manuscript about a drought-stricken North Dakota town that turns to a minister for relief has become the talk of *Time* magazine. That is because Paramount Pictures and live production company owned by actor **Tom Cruise**, Cruise-Wagner Productions, recently snapped up



Moloney: taking success in stride

Moloney's *A Dry Spell* for more than \$650,000. A bidding war for the publication rights soon followed, with DeLacarte in the United States and Canada's Doubleday vying with bids that have not been made public. Moloney, 34, who was an *Maclean's* Island in Northern Ontario and wrote a humor column for her local paper, is taking her sudden success in stride. She has been compared to everyone from tight-rope walker **Stephen King** to humorist **David Barry**. "All I want to know," she ponders, "is when some guy is going to call the male Susan Moloney." It could be sooner than she thinks.

## A family man on the job

Canadian actor **Matt Cohen** has landed some juicy parts in Hollywood. Including *U2: Rattle and Bang* in 1992's *A Few Good Men* and starring in *Ray* in the last summer's *Crossed*. So when Cohen, 29, auditioned for the weekly TV cop show *High Incident*, the program's producer, **Steve Spielberg**, wanted to understand why he was switching from feature films. Says Cohen, who is married and has two young children, "I said, 'I wanted to be home more for my family, and he told me that was an excellent reason.' Being part of a large ensemble cast means that Cohen, who grew up in Toronto, Ont., works just three days a week on the TV show, which ABC has picked up for a second season. Later, Cohen's character, officer **Ken Dayton**, has been coming to terms with the on-duty death of his partner, but has neglected his family. "He's just starting to realize that he has to go home and deal with his wife," says Cohen. A little closer to home, perhaps?



Cohen: never in a hurry



# How much exercise is really enough?

There they sat, month after month, nervously hunking and plastic and steel, gathering dust and taking up space. Of course, Masterflex Aerobics in De Pere and Flare Fitness had the best intentions when they forked out \$16,000 for a home gym and Nordic Track last year. But like many Canadians who vow to shape up, they soon shipped out their new equipment—running a classified ad to sell the heavily used hardware. And who can blame them? With their jobs—Elliott, 43, is an optometrist, and De Pere, 35, is a part-time occupational therapist—there is hardly enough time to spend with their three small children. And then there was the tedium of sticking to a routine. “The machines were in the basement and it was not very stimulating,” De Pere says. The couple have not given up altogether; they still work out two or three times a week on a stationary bike and treadmill in front of the main-floor TV. “I exercise because I have to,” De Pere admits. “It’s something you have to do, like brushing your teeth.”

Actually, North Americans are far more faithful about tooth brushing than they are about exercising. Recent surveys in Canada and the United States show that a stunning 80 to 90 percent of North Americans claim to hit the pavement, the pool or the gym as often as they should. And how often is that? In July, the U.S. surgeon general is expected to release its long-awaited Report on Physical Activity and Health. Experts in Canada and the United States say the influential agency will offer concrete advice on how much—and what types—of exercise are most beneficial, an issue that has recently been muddled by a host of contradictory studies. And it is expected to come down hard on people with sedentary lifestyles, warning that inactivity greatly increases the risk of heart disease, hypertension, certain cancers, diabetes and osteoporosis. “This will be a historic event, similar to the 1964 surgeon general’s report that started the anti-smoking cam-

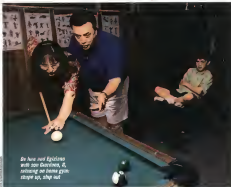
aign,” claims John Wilmore, president of Toronto-area health club The Fitness Institute. “The surgeon general will probably direct factors to preventive exercise as a preventive measure—it will be seen as an inexpensive for good health, not a choice.”

While Canada has no specific guidelines on exercise, a working group that includes Health Canada, academic researchers and

tion of risk factors affecting 75,000 American women, reported in 1990 that those who are most active reduce their risk of heart attack and stroke by more than 40 percent, compared with those who are sedentary.

While none of this is news to either professionals, experts cannot seem to agree on how much exercise is enough. Ten years ago, the official line was tough exercise for 30 minutes, three times a week or more, hard enough to work up a sweat and get the heart pumping at 60 to 90 percent of its maximum capacity in other words no pain, no gain. But the vast majority of people just said, No way. (The percentage of heavy exercisers has remained steady for the past 25 years.) Changing tastes, re-

## A raft of contradictory studies leaves people even more confused over how to get fit



Do you not lightness with new devices, it, among on home gym stage up, step out

scientific agencies is developing proposals to establish such recommendations following the release of the surgeon general’s report. Meanwhile, say couch potato who requires more convincing, need only go up at the mountains of research linking mortality rates and inactivity. Last year, a provocative panel of U.S. experts published a report in *The Journal of the American Medical Association*, pointing out that lack of exercise causes a quarter of a million deaths in the United States every year. The massive Nurses’ Health Study, a long-term investiga-

tion in the early 1990s concluded that virtually any exercise is better than none at all. Some studies even showed that 30 minutes of moderate activity three or four times a week earned health benefits similar to more rigorous workouts.

The Atlanta-based Centers for Disease Control and the Indianapolis-based American College of Sports Medicine adopted the new approach in 1993, thus hammering the message home early last year with the formal slogan of many top U.S. and Canadian researchers: Simply ask, they said, should

participate in at least 30 minutes of moderate exercise, such as brisk walking, preferably every day. “Researchers found that the greatest public health benefit occurred when people who were the least fit became at least moderately active,” explains Cass Crisp, president of the Ottawa-based Canadian Fitness and Lifestyle Research Institute. “That is where the real difference in mortality rates began to show up.”

The case is far from closed, however. Last month, the Lawrence Berkeley National Laboratory, a U.S. government research center, released a report showing that switching is the only way to obtain certain physical benefits. The study of more than 1,900 female recreational runners found that those who ran more than 65 km a week had a 15 percent lower level of heart-related cholesterol, 16 percent higher than those who ran less than 16 km a week. Study author Paul T. Williams said those results translate into a 29-percent reduction in the risk of coronary heart disease. A handful of other recent studies, including one of more than 17,000 Harvard University alumni, have reached similar conclusions: The more exercise, the better, especially when it comes to extending longevity.

“The Centers for Disease Control recom-

mendations show very little benefit for anybody who does much more than the moderate 30 minutes a day,” says Williams. “We are saying that there are substantial benefits beyond that. There has been very little credit given in the past to people going beyond the minimum. Because of the contradictions, it is worth noting that even some exercise junkies do not believe rigorous workouts are for everyone. Don Kinsale, 41, finds time to run 80 to

90 km a week, even though he has a full-time job in telecommunications as a government geologist and has a wife and two small children. But he runs a match for anyone, as far as he’s concerned, Kinsale says, while many people seem to push themselves harder than they want or even need. “When I go to the gym, I go to the people heeling and puffing,” he says. “I want to tell them to slow down, and risk walking and jogging—they get the same benefit, and it’s an easier route to maintain.”

That theme is echoed by exercise professionals. Jack Tanton, co-director of the Sports Medicine Clinic at the University of British Columbia, runs 50 to 70 km a week. But the 49-year-old says most people need just 30 to 40 minutes of exercise three times a week to gain significant health ben-

efits. “They can run or walk or cycle,” he says, “as long as they burn 2,000 calories a week—running or walking 2,000 would use that amount.” And while Tanton agrees that more intense exercise can be helpful, those gains can be offset by social stresses, gym work, such as treadmill and stress fractures. “So what may be a piece of cake for one individual may be too much for another,” he says. “Slow walking is a good way to start.”

That, of course, is not the message of the observational study that home exercise machines, which add to boredom that nagging blues of steel requires a will of iron. Not surprisingly, a recent fitness survey by *News magazine* found that 48 percent of respondents owned sports gear—moulding home exercise equipment—that they rarely used. There are indications, however, that Canadians are at least trying. Coordinated surveys show that 37 percent are now exercising enough to gain some cardiovascular benefit, up from about 27 percent 16 years ago.

They readily admit that the official Canadian, getting up a little earlier to walk to work, trying to hit the gym at lunchtime, or making time to throw a ball around with the kids. Medhat Mahdy, director of membership for YMCA Canada, says he sees more families trying to fit exercise into their day, whether by getting a child for a walk or using a stationary bike while reading or listening to music. “The bottom line is in case in and do something you enjoy,” he suggests. “Then all the studies can come and go and you’ll know there is no magic bullet. It’s mostly just a matter of common sense.”

**PATRICIA CHISHOLM with SHARON DOYLE DRESDEN on Toronto**

landmark 1998 study of more than 10,000 people in 52 countries and confirms the consistent original findings: taking salt consumption to high blood pressure. The International researchers contend that reducing salt intake could significantly reduce cases of cardiovascular disease. Logans don’t deny the link between salt and high blood pressure. But he argues that there is an environmental, or observational, study which does not prove that salt causes high blood pressure or hypertension. Medical literature, he says, suggests that other factors—including obesity, lack of exercise and heavy chronic use of the “old” sodium chloride—may be the cause of hypertension. “Don’t worry about salt if you are healthy and have normal blood

## Shaking up the salt wisdom

It’s the salt. Traffic the long-standing advice of health experts, who point to the link between salt and high blood pressure—one of the major risk factors for heart disease, the leading killer of North Americans. But Canadian researchers are shaking up old ideas about salt consumption. In a study published last week in the prestigious *Journal of the American Medical Association*, Toronto scientists analyzed 55 clinical trials involving more than 3,500 people with normal or high blood pressure. The researchers, led by Dr. Alexander Logans, head of the Mount Sinai Hospital Hypertension Clinic, conclude that there is no need for healthy people to limit their

sodium intake. “We feel that a policy of widespread salt reduction is unwarranted when you look at these studies,” says Logans. “That has little effect on the blood pressure of healthy people.”

Logans’ license to use a heavy hand with the salt shaker contradicts guidelines from Health Canada, the Heart and Stroke Foundation and other North American health authorities. It also conflicts with the conclusions of British and American researchers, who reported the results of a major study—known as Intersalt—only five days earlier in the *British Medical Journal*. Intersalt updates a

landmark 1988 study of more than 10,000 people in 52 countries and confirms the consistent original findings: taking salt consumption to high blood pressure. The International researchers contend that reducing salt intake could significantly reduce cases of cardiovascular disease. Logans don’t deny the link between salt and high blood pressure. But he argues that there is an environmental, or observational, study which does not prove that salt causes high blood pressure or hypertension. Medical literature, he says, suggests that other factors—including obesity, lack of exercise and heavy chronic use of the “old” sodium chloride—may be the cause of hypertension. “Don’t worry about salt if you are healthy and have normal blood

pressure,” Logans adds. “Watch your weight, exercise regularly, moderate alcohol intake—focus on health matters that make a difference.”

Dr. George Fodor, a research scientist at the University of Toronto who has helped lead the Toronto study “an interesting stimulus for discussion by scientists.” But while he agrees with Logans that researchers should explore other factors that affect blood pressure, Fodor believes it is too soon to start adding more salt to the soup. And why bother? The salt is probably there already. North Americans consume one to two teaspoons of the stuff each day, he says. “You know what the body needs—most of it from sodium-rich processed foods.

**SHARON DOYLE DRESDEN**

SHARON DOYLE DRESDEN on Toronto

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# Death in the dark streets

They are the party girls of the Jervis Street track, and they wear the sashes favored by prostitutes on the walk, hot pants or tight leggings, butterfly nipple-down in mid-abdomen, platted hair, high-heeled sandals on their feet. They laugh and cackle one another, shouting sexual taunts at pedestrians and passing cars that when asked about what happened just three nights before—the execution-style slayings of street Toronto prostitutes—they become sober and defensive. "You're not that jerk with the videocams, are you?" says a tall blond in black leather, returning to a TV news crew intruding the area.

"We've got families, you know," another blond, dressed all in red, yells in. "You don't want to talk to us," she says. "We're OK down here—we're safe." The blond clucks her tongue, and raps her friend on the head. "Black as mud," she says. The remark is meant to be funny. But in the wake of multiple murders that have sent chills through Toronto's prostitute community, it also serves as a dire warning reminder of the violence that the city's 1,000 street-walkers live for. For them, mere survival has become a matter of chance.

For Jervis and Lagarde, Sharon Keegan and Thomas Williamson, luck ran out on a stormy May 20, an lightning and Victoria Day fireworks lit up the city. Responding to a 911 call at 11:30 p.m., police discovered the badly beaten body of 49-year-old Lagarde, a prostitute and drug addict, lying face down, killed, in an alleyway in Toronto's west end. Just before midnight, security guards at a condominium on Hazelwood Avenue—a tree-lined residential street in the downtown core frequented by itinerant hookers—found the body of 39-year-old Keegan, a cross-dresser and perfume addict, lying in a star-wheel. Nine hours later, the body of Williamson, 31, a transsexual whose street name was Deanna, was found in a linens-only store. Later, Keegan and Lagarde, who had died of a bullet wound in the head. Subsequent forensic tests revealed that all three victims had been killed with the same gun—missing the specter of a serial killer stalking Toronto's prostitutes.

As police combed a complex files of all so-called bad dates—clients who abuse or

threaten prostitutes—for suspects, they made a public request for information. A red car, they reported, was spotted near the alleyway where Lagarde's body was found. On the streets, meanwhile, police were informally advising pedestrians to be careful—which, in the trade, means working in pairs, taking down the license plate numbers of suspicious cars and telling a friend where they are going to service a client.

There are now 12 unsolved prostitute murders in the Toronto area, dating back to March, 1988; there is no indication that the first nine are related to the last three. Among street prostitutes and the support organizations that try to help them, the re-

additive, says Travers, "It's a sense of despair that drives you to make money, and there's a very strong sense of family out there." For so-called transgender prostitutes—ones like Williamson, who worked "Transvestite Alley" for years, and Keegan, a bisexual street kid who wore a black miniskirt and wig—hooking can empower them by validating their sexuality. "If you take some little guy who's been told since kindergarten that he's a failure as a man," explains Travers, "when they hit the streets it makes sense for them to say, 'Well, I'll try to be a woman!'"

Most prostitutes—male or female—live in a complex web of violence, drugs and poverty. They face not only abuse from their clients, but also from their partners or pumps, many of whom live only off their earnings. And if hookers are assaulted, they are unlikely to turn to police. If they do, Lagarde says, they face beatings by other prostitutes—enforcing its unwritten rule against talking to cops. Thus the rare drugs. Williamson was addicted to crack cocaine—cheap and highly habit-forming. Lagarde, who struggled with drug and alcohol addiction for years, was expelled four months ago from a rehabilitation program. Together, these activities make getting off

## Three murders send a chill through Toronto's prostitutes



Williamson (left), Keegan (center), Lagarde: the specter of a serial killer

the street difficult—especially during a time of government cutbacks in social services and drug rehab programs. "These men and women feel that they're a part of society that nobody cares about," says Metro Councillor Judy Staley, who chairs the prostitution task force. "And nobody does care."

Around midnight, Pamela—her street name—stands alone on a busy Toronto corner, under the glaring lights of a hotel. Not yet 30, Pamela has been a prostitute for the past year and a half. At first she says she has not thought much about the murders. But she acknowledges that violence is a constant risk. "You get at least one stupid guy every night," she says, her eyes raising the street for slowing cars. "Not necessarily violent, but stupid." Have the murders scared her? Sure, they have made her think about getting off the streets. "Yeah," Pamela says, looking around. "But here I am." And she shivers in the night air.

Faced with such dangers, why do hookers stay on the street? "Prostitution itself is

certain killings trapped persons, expect and a certain gain resignation. This is a tragic event," said Wayne Travers, a social worker with SOS (Street Outreach Services), who has counseled prostitutes for 20 years. But it's not news to her that there have been multiple beatings, or slayings, or what have you. This has been going on for decades.

Linda Lakoski knows all about that. A street prostitute for 16 years before going straight in 1980, the 40-year-old Lakoski is now a college graduate working with the Metro Toronto task force on street prostitution to develop an outreach program called OOT the Hook—to help hookers get off the street. In her time as a prostitute, Lakoski says that she knew six hookers who were murdered. "I don't like to say that it's an occupational hazard—and it shouldn't be," she says. "But it's a risk that anybody takes when they get into a strange vehicle."

Faced with such dangers, why do hookers stay on the street? "Prostitution itself is

## Sports



Mario Lemieux celebrating after a Red Wings goal in Game 3; who can figure?

## The long, weird road to the Stanley Cup

A hot shower and an immediately tailored suit did not disguise the fact that Pat's Coffey's nose was not in the right place. Opposing teams, trying to outdo the National Hockey League's top-scoring defenseman, had immersed Coffey throughout the playoffs, leaving him with a badly swollen and blacked-up nose. But standing in the locker room at Detroit's Joe Louis Arena, Coffey was more concerned about his team. The Wings—pre-playoff favorites to win the Stanley Cup—needed six points to chase off the heavily favored Detroit Red Wings in the first round. Then, the crazy St. Louis Blues pushed Detroit to the seven-game final before succumbing. And in round three, the Colorado Avalanche took the first two games in Detroit. To keep their Stanley Cup hopes alive, the Wings would have to win four of the next five games against Patrick Roy, the NHL's best goalie.

One thing is sure: the Stanley Cup is a hard-won prize. It takes football teams three play-off victories to win a Grey Cup. The World Series is over in three baseball-on-grass matchups. And basketball doesn't require pads. The battle for the Stanley Cup, meanwhile, is a war of attrition that is waged on alternating nights for the five intense rounds. Still, the players love it. "When I start the season, I am already doing everything to prepare for the playoffs," Roy says. "So when they come, my concentration is there. I feel comfortable."

This year, the pressure is on Detroit. After losing the 1995 final in New Jersey, the Wings have had anything less than the old silver bowl will not satisfy their rabid following. The skyline, highways and storefront windows of rusted-out Motor City bear bill-

boards, banners and posters that shout "We want Stanley!" The team celebrates the Wings' 70th anniversary in the NHL, but fans seem more aware that 1996 is the 50th anniversary of the team's last cup triumph.

The laws of the play-off jungle declare that, to win the coveted cup, teams need talent, good health and great goaltending. While Colorado and the Florida Panthers were competing for it, the Wings and the Pittsburgh Penguins had seen their talent pools partly drained by injuries. Among others, Pittsburgh's unsung center, Ron Francis, was sidelined with a broken foot, and St. Louis's Cefley, who missed Game 2, Detroit captain Steve Yzerman sat out most of two games with what was reported to be a pulled groin muscle but was rumored to be worse. On playoffs, he is in war, the first casualty in the truth? Florida and Colorado also possessed the key cup ingredients—but goals. Both the Panthers' John Vanbiesbrouck and Colorado's Roy frustrated their high-powered opponents while boasting the margin of their own dominance. "We're a confident bunch of guys right now," and Avalanche captain Joe Sakic after Game 2. "Patrick Roy is not playing great for us."

Roy loves the challenge. In Montreal, where playoff play is a need to goddamn it, he was back in the action in 1986, he backstopped the Canadiens' cup triumph over the Calgary Flames. In the 1993 final, he led the blue-collar Habs over the flashy Los Angeles Kings. But after a high profile dispute with now Montreal coach Mario Tremblay last December, Roy was abruptly traded to Colorado. Under Mike Keenan, for goalie Jocelyn Thibault and forwards Andre Kovalenko and Martin Rucinsky. At the time, Avalanche general manager Pierre Lacroix was looking ahead to the playoffs—in the Wings game, he believed the team had lost in the first round. "I've known Patrick for years," Lacroix said last week. "I was convinced that it was the move I needed to make for our team. I am very happy with the result."

Overseas, Roy has delivered. He was acquired for his postseason prowess, and he is glad to finally get his moment to shine "I have pride," he said. "I wanted to show people that the team did the right thing." Denver fans have even learned to pronounce his surname, which does not rhyme with Roy. And given today's media, that's a small thing. He is glad that Roy is The Man behind the mask.

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JAMES DEACON is a Detroit

Goals  
and good  
health are  
the keys



# Trent Frayne

## Hockey week in Peterborough

There was a time when hockey was out of the way each year while snow still lingered, but now the players are the new boys of summer. Back in 1995 critics growled when, for the first time, the Stanley Cup final advanced into May before the Montreal Canadiens in their woolly noggies. Now it's arranged to put down the Chicago Blackhawks on May 11 in the seventh game. Nowadays, hockey players attack the calendar well into June, wearing tanks with gladiator shoulders and visored helmets, and often arriving in squads headed like modern-day Spartans.

And not in the Stanley Cup alone; there's also the Memorial Cup. This one is a wrap-up series involving the champions of this country's three major junior leagues, a hockey compendium of 48 teams spread across it's a week-long tournament that moves annually from one league to the next, from the Quebec league with its 14 teams to the Ontario league with 17 to the Western league, also with 17.

It was Ontario's turn this year, and in the unheated little eastern Ontario city of Peterborough (population 70,000) the Cup finale and summer itself arrived during the Victoria Day weekend. Suddenly, in the wake of a seemingly endless winter, stadiummen were out on a broad parking lot adjacent to a rink of some 4,500 seats. There, the home-town Peterborough Petes had arrived at the sudden-death final against the uppy Montreal Canadiens of Quebec, the big and aggressive Quebec being champions.

For a full three hours before this final game, fans celebrated on the parking lot. Little kids romped and older people mingled, exposing their pale Canadian paler to this day's unusual sun. No one seemed hurried, kids in baseball caps and jeans, grown-ups of both genders in shorts or jeans and sundresses. They were mingled in a carnival atmosphere of camaraderie, some on a bench while not where beer and shots of booze were available in plastic cups at \$3 a pop. Outside the rink, hamburgers and hotdogs sizzled on grills. There was even hot soup at \$3 a bowl, pasta and meat and veggie, or cream of broccoli. Meanwhile, a nonlinear PA system blared the throng in the company of two emcees, a seven-man group named the Agony Chorus and a recently assembled rock ensemble calling themselves the Memorial Cup Band.

Just before game time, the band leader ended the noisy orgy, crying: "Is everybody pumped up tonight?"

Earlier, the current Petes coach, Dave MacQueen, recalled visiting a local school. "The principal and teachers were all at in the parking lot with 100 kids chanting, 'Yes, Petes go,'" he said, eyes bright. "It just is an incredible rush right now in this city."

"Yes, it's nothing like it'll be if we win," grinned a uniformed parking attendant.

It wasn't to be, though. As fog drifted gently from the arena's ice

in the 28-degree heat, the Prédateurs slowly took command and won by 4-0. Even so, the sell-out home crowd stood and cheered their team to the end.

This sort of enthusiasm is not confined to Peterborough, of course. Hockey is Canada's game, and the Canadian Hockey League has become the undisputed world leader. When the annual World Junior Championships were established in 1977, the U.S.S.R. was the first four tournaments, raised for two years; then was two more. Since then, look out! In the past nine years Canada has taken the gold medal seven times, including the year for a row. Also, C.H.L. graduates dominate the rosters of National Hockey League teams in the most recent calculation, there were 472 ex-C.H.L. players in the N.H.L. during the 1994-1995 season.

Playing junior, most players leave the N.H.L. as their goal, although education is emphasized by the owners. "I'd say plays junior for three years with us," said Bob Cornell, owner of the Brandon Wheat Kings, "we'll pay for his education at any university for four years. We insist our players get their Grade 12. We haven't had a failure in three years."

Ed Chynoweth, the C.H.L. president, noted that Jim Rossie, the principal of a Guelph high school and also president of the Guelph Storm, brought teachers to Peterborough so that Guelph players wouldn't fall behind in schoolwork during the tournament. "In our three leagues," said Chynoweth, "96 per cent of the players attended high school, college or university this year."

Nobody gets rich running these 48 major leagues. Players make \$250 to \$300 a month, some veterans climbing as high as \$600. That's not much by today's pro standards,

but running a junior club is an expensive business, nonetheless. It cost us \$1.2 million five seasons," said the Wheat Kings' owner, Bob Cornell, who runs a planning and brokering business in Brandon. "In 1979, we lost to Peterborough in overtime at the Memorial Cup in Montreal. It only cost \$20,000 final year, about a quarter of our net. Getting in the playoffs is the trick, those extra games. But since the playoffs and you've got to have deep pockets."

For a time during Memorial Cup week, it appeared that Bob Cornell's Brandon team would break through with the first national hockey title in the team's history, completing a big winter for the town of 25,000. Earlier this year, Brandon University's Bobcats won the national intercollegiate basketball championship and now the Wheat Kings were in the Memorial Cup tournament for the second straight spring. Last year, in Knoxville, B.C., they fell to the Detroit Whalers by 3-4 in the semifinal. This year, they opened in Peterborough with memories over Guelph and the Petes, but then above them were shut by the aggressive Prédateurs on the way to the final round. Still, Brandon was the only team among the country's 48 to reach the semifinal two springs in a row, and that made owner Bob Cornell's position quite deep enough.

## Music

# Symphonic Spirit

A pop band and an orchestra soar together

When the Vancouver Symphony Orchestra invited beloved hometown band Spirit of the West to join it for a live concert, songwriters Gordie Kelly and John Mann were determined to take full advantage of the opportunity. The two musicians—who have experimented with Celtic-influenced styles ranging from acoustic folk to electric alt-rock during their 13-year partnership—bought and studied as many recordings of rock orchestras as they could lay their hands on.

"For the most part, we were really disappointed," says Mann. "Most of them were rehashing old material, so in your head you're always hearing the original. When strings replace a guitar line, it just sounds like a Mashed potato. We really wanted to avoid that."

And so they did. Mann and Kelly enlisted the help of arranger George Bloodfrenk—who has worked with such live duetters as J.D. Lang, June Arden and Toni Terese—to score 11 original numbers for their gig with the VSO. *Open Heart Symphony*, a CD record of almost entirely live during two sold-out shows with the VSO last spring, is the result. The band's ninth album, it was launched last week during a special concert that drew thousands of Generation Xers and aged symphony subscribers to Vancouver's grandest Orpheus Theatre.

Before the evening was over, the orchestra and SOTW's five members—guitarist Kelly, 35, singer Gordie Mann, 33, drummer Vince Dirick, 32, bassist Hugh McMillan, 32, keyboardist, bassist and accordion player Linda McRae, 36—had brought both the grey-haired and the body-pierced to their feet, cheering one of the most inspired musical collaborations in recent memory.

For both the VSO and SOTW, *Open Heart Symphony* is a triumph. Since 1988, when the orchestra, added with a crumbly pop and melancholy of the ballad scene, *And The Miller's Daughter* is a slow, moving waltz written by Kelly for his wife, Alison. Rather than simply accompanying the band—or for that matter overpowering it—the VSO is fully integrated into the music. Soaring strings, punchy brass, flick

as Canadian country musician Michelle Wright and Ireland's The Chieftains—but, until now, has not recorded with any pop-rock artists. "We're making all kinds of new friends," SOTW, meanwhile, has enjoyed success with such albums as 1990's *Save The Heart* and 1993's *Pathlight*, both of which sold more than 100,000 copies. But the group has alienated some traditional fans with its increasingly experimental, electric sound. Their new album represents a homecoming of sorts, a bridging of two

musical worlds. "The songwriting carries on where we left off," says Kelly, "but the way it is presented is more detached for us." Adds Mann: "It's really a return to our acoustic instrumentation. People who supported us originally, who loved that Celtic side of us, may only like this album."

In fact, *Open Heart Symphony* is full of the haunting and hypnotic folk, whistle, accordion and mandolin characteristic of SOTW's finest work. Two of the CD's strongest numbers are purely instrumental. "Glasgow" is a waltz. Since 1988, when Mann wrote out, expresses both the joy and melancholy of the ballad scene. *And The Miller's Daughter* is a slow, moving waltz written by Kelly for his wife, Alison. Rather than simply accompanying the band—or for that matter overpowering it—the VSO is fully integrated into the music. Soaring strings, punchy brass, flick

woodwinds and driving percussion add color and texture. And Mann's unique voice, at times soft and unassuming, raw and belting, has never been in finer form.

Neither has his poetry. In David's Den, a song about a Scottish aunt of Kelly's who died during a visit to Canada in 1991, Mann writes: "She flew home in the hull of a jet/Her newsworld talking head/Here come strange notions in your bed/And you try to keep them out of view/But they're under sheets and all tucked in with you."

For the most part, though, the band's live work is kinder and gentler. In the past, the musicians angrily belted such songs as forest clear-cutting and shoredred and



McMillan (left), Dirick on drums, Mann, Kelly, McRae and the VSO: no less collaborative

guy rights. But Mann and Kelly, who now each have two young children, say that they have outgrown their squalid politics. "Having kids, you are forced to think more locally," says Mann. "I think we are less angry, more philosophical." One outlook has become more personified. "Adda Kelly's 'Neighborhood' with its more important than global war." Still, the new album does address such issues as eating disorders and suicide—although it does so with striking understatement and intelligence.

The band is happy to perform its newest material with symphonies across the country later this summer and into the fall. Meanwhile, with its powerful orchestration and Minnesota traditions, the *Open Heart Symphony* CD is far and away the most impressive release yet from Spirit of the West.

SCOTT BEEBLE in Vancouver

Canada's movie mogul: Alliance is the largest truly independent producer in North America



# A place in the sun

Robert Lantos and Alliance are basking in the big time

It is no ordinary hotel. The price of a room begins at about \$3,000 a night. It does not take credit cards. And to guarantee a reservation during the Cannes International Film Festival, it is sometimes necessary to slip an envelope stuffed with cash to the man behind the front desk. The Hotel du Cap in where Robert Lantos, the Toronto-based chairman and CEO of Alliance Communications Corp., holds court when he attends the festival. Surrounded by acres of gardens, and sprinkled along a gorgeous stretch of the French Riviera, it is not conceivably located—it is a half-hour drive from Cannes beach. But, with the sweep of a concierge's finger, a speedboat or a helicopter can be arranged to zip across the bay. Besides, many of the big stars and power brokers who come to Cannes prefer to keep their distance from the rubble. Staying at "the Cap" is a sign of unassailable pedigree—its guests during this year's May 9-20 festival ranged from Dustin Hoffman to Mick Jagger. And an admission to "come up to the Cap" is like a summons to Versailles.

The atmosphere is casual. Tossing off from his pre-lunch swim in the cliffside pool, Lantos greets a visitor and tells him to ask the maître d' for his table on the terrace. Lantos always has the same table, which commands a prime spot overlooking the

sea. Under a cloudless sky, with a stiff wind blowing off the Mediterranean, it feels like the deck of a ship. A waiter places a bottle of wine on an ice bucket. Lantos finally shows up half an hour late, apologizing that he had been stalled by negotiations over the foreign rights to Alan Eggmont's next movie, *The Sweet Hereafter*. The film has not yet been cast, but he says distributors are already engaged in a bidding war over it.

Last year in Cannes, the same thing happened with David Cronenberg's *Crash*, which went on to become the year's biggest. "We needed *Crash* in three days to the whole world," says Lantos, explaining that he covered most of the film's \$25-million budget before it was shot. "And we made the deal for the U.S. rights at this table." The Cap is a good place to do business, he adds. "The kinds of all the Hollywood agencies are here, the studio heads are here. But that's not really why I stay here. I just love having to fight the crowds."

As the head of Canada's largest show-business empire, Lantos also affords the luxury Alliance is by far the most important producer and distributor of film and television products in the country, with annual revenues of more than \$200 million. And by making cautious investments in artistically risky films such as *Crash*, Lan-

tos is making a flamboyant mark on cinema's world stage. After *Crash* won a controversial prize at Cannes last week, he said, "We achieved our dream scenario in position the film as a classic piece that everyone has to see for themselves in order to make up their own minds."

Alliance's ambitions keep escalating in scale. This week the company, in tandem with Turner Pictures, is announcing a \$25-million project to film a new version of *The Godfather* of New Jersey starring Mandy Patinkin and Richard Harris. And an Alliance division called Le Monde Entertainment is clearing out three or four low-budget action movies a year for the international video market. Alliance has also cornered a large piece of the domestic distribution market. The Alliance Releasing logo—that brilliant and tacky panorama of quartz crystals—precedes most non-Hollywood movies that play at Canadian theatres.

In television, meanwhile, Alliance is not the demand for Canadian content by studios like CBC and CTV with more prize-line shows than any other private producer—including *E.N.G.*, *Due South*, *North of 60*, *Street Up* and *Taking the Fifth*. Alliance, which has a Los Angeles office, is also the only non-American company producing pilots for U.S. networks. It owns a 50-per-cent share of Vancouver-based Mainframe Entertainment Inc., which creates popular TV cartoons such as *RoboT*. It owns a majority interest in the specialty channel Showcase Television. And it recently presented a proposal for The History and Entertainment Network to the Canadian Radio-television and Telecommunications Commission.

Alliance is no longer just a Canadian success story. At the gaming tables of the international film industry—at events like Cannes, where Alliance spent almost \$600,000 to support and promote its operations last year—it is a serious player. It can, in fact, claim to be the biggest truly independent film company in North America. The title holder, "Independent" is actually owned by conglomerates—Mifflin Films belongs to Disney, New Line Cinema Corp. belongs to Turner. "This industry has ghettoized into such tight players over the past 10 years," says Lantos. "But there's no room in being a small-scale company and really expecting to thrive. Who's going to run with behemoths, you have to be at least an elephant not to get trampled."

Alliance, which went public in 1983, would be a prime acquisition for any conglomerate. But Lantos does not see leaving control of his empire in the near future. "It's always good to be," he says. "But it would be quite troubling to take over this company right now given the way shares are distributed." (Lantos and his Montreal-based partner, Alliance Releasing president Victor Loevy, own a significant stake in the company.) Then, with characteristic bravado, he adds: "Taking a conglomerate is not the only option."



Me Kinsler in *Exotica*; right: Genes

## A gallery of Alliance products

A sampling of past, present and upcoming film and television productions from Alliance Communications Corp.

**Due South**, the highest-rated Canadian drama, which recently ended its second season on CTV and CIG

**North of 60**, which has run for four seasons on the CBC network



Due South: North of 60 (left) inspired series

**Exotica**, Acorn Epoch's 1994 hit, winner of eight Genes Awards and numerous international awards

**When Night Is Falling**, Patricia Rozema's 1995 romance, winner of nine International Festival awards

**Johnny Mnemonic**, starring Keanu Reeves, the top-grossing Canadian movie of 1995

**Crash**, directed and produced by David Cronenberg, winner of the 1996 Cannes Special Jury Prize

**The Inheritance**, Alliance and Congress/Hunter Productions have the film and television rights to Louise Penny's long-lost manuscript

**The Sweet Hereafter**, Eggmont's new film, scheduled to go into production in October



Scene from *Exotica*—winner at Cannes

The other option is to build one. Thus far in his lifetime, Lantos has built "one."

Born in Hungary, the only child of Jewish parents who barely survived the Second World War, Lantos immigrated to Uruguay with his mother and sister at the age of 8, then to Montreal five years later. After studying literature and communications at McGill University, he and Loevy, a fellow student, jumped into the film business by securing the Canadian rights to *The Heat of the New York Times Film Festival* in 1972. Six years later, he produced his own film, *As Prizes of Older Women*, which attracted Ontario censors and became his first big success. Since then, with movies ranging from the comic *Three and a Half Men* (1982) to *Black Robe* (1985), Lantos has fought to win artistic respect—and an audience—for Canadian cinema while expanding his company through TV production and film distribution.

New 47, Lantos has the makings of a mogul. He is a captain of the brass band, the legendary Mido (Unattested), he is divorced from actress Jennifer Dale, with whom he has two children, ages 15 and 12. He has carved out his empire with a swagger that flies in the face of Canadian modesty. "Robert's a legend," says Chris Arty, a co-executive producer of *Crash*, making it clear that he means it as a compliment. "He's a rapper and pfeffer who has built this corporation out of nothing." Rob Rozema, chairman and CEO of CTV's U.S. distributor, New Line, says the success of Alliance has a lot to do with Lantos's and Loevy's personalities. "They're two aggressive guys. Victor has particularly good instincts about the commercial value of films, and Robert has particularly good instincts about how to build a company."

But according to Eggmont, who has made four movies for Alliance, material success is not what drives Lantos. "At the end of the day," says the director, "what he really wants is to do better films that are recognized by the international community as artistically valid. What Robert dreams of, and I hope one day he gets it, is a *Crystalline*—a film made on very high artistic principles that totally breaks through commercialism."

Lantos has certainly aimed high. Alliance has produced four of the Canadian films shown in the nation's competition at Cannes since 1988—*Jonas*, *Three and a Half Men*, *Exotica* and, this year, *Crash*. It has also scored modest commercial success with arthouse hits like *Johnny Mnemonic* and *Johnny Suede*, and *Black Robe*, which earned, when *Night Is Falling* hit 1995 production of *Johnny Mnemonic*, a cyberpunk thriller starring Keanu Reeves, was a critical flop; yet grossed a healthy \$60 million—double its budget.

Meanwhile, Alliance Releasing, which

ON ASSIGNMENT  
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IN CANNES



## FILMS

snipe up distant rights for movies from around the world, down-market—dozens of small films in Canada—do more business than all other Canadian companies combined. It has long-term deals with three of the world's hottest boutique production houses, including Miramax (Paul Verhoeven, *New Line* [*Dumb and Dumber*] and Britain's Channel 4 [*The Crying Game*]). It also acts as a distributor abroad for pan-Canadian movies. "When we get into bidding wars with some of the American independents," says Lantos, "we tend to win. We have a certain cachet as an international distributor for upmarket movies."

Even Alliance's competitors express a grudging admiration. Says Shane Kinsess, vice-president of distribution at New York-based Cineplex Film Properties: "By securing a stranglehold, this company has forced other Canadian distributors to be just as good or better."

Lantos, however, takes no prisoners. "Givers are a breed," laughed a Canadian colleague after visiting him at the Cui. "He's got the Sultan of Brunei." And some smaller players question the fairness of such a prosperous company receiving public funds from the ever-shrinking coffers of Telefilm Canada. Alliance sold its predecessor, IGL Entertainment Corp., has obtained about \$150 million in Telefilm funds since 1976—more than any other company. But that money, Alliance has always pointed out, was required—

even if it meant producing such flops as CTV's *Mount Royal*. The company's worldwide distribution network also makes it a secure vehicle for public investment. Says competitor Peter Simpson, chairman of Warner Entertainment Inc.: "They're played Telefilm better than anybody else. That was a key part of Robert's strategy: to play the Telefilm card hard and fast."

Telefilm funds still make up 10 to 22 per cent of Alliance's total production budget, but Lantos insists that the figures are deceiving. "This money is concentrated in a small number of productions that are culturally driven and simply wouldn't be made without Telefilm," he says, citing CTV's *E.N.G.* and



Gosselin, dividing the Cannes jury

they persuaded the jury to award a special prize, although two members who viewed the movie beneath discussion believed from the vote.

In a bizarre moment at the awards ceremony, Coppola announced that the jury had awarded "a special prize for audacity, daring and originality." Stunned that "certain members did passionately abuse" him, he eventually conceded that Gosselin deserved an award (even though in trying to flout some truth in the hazy condition, it offended)—and there is a great tradition of this, as we know." Gosselin gratefully accepted the honor amid boos and whistles.

British director Mike Leigh, meanwhile,

the CBC's *Diane Rivest's* *Tramster*, a movie that ran in March. "Generally, they are either marginally profitable or break even." Although *E.N.G.* was eventually sold to 60 countries, says Lantos, "a single one wanted it before it was made." Most of 60 is an other series that could not be provided, he adds. "A story set in a remote Canadian native community about the harsh realities of everyday life—this is not something the major broadcasters in Germany and Spain reach into their wallets for before they've seen a frame of film." But Alliance can sell the finished product by packaging it with its more mainstream fare, such as the TV movie *Grindlock*, starring David Hasselhoff, and *Family of Guy*, with Charles Bronson. North of 60 is now seen in 56 countries.

Alliance's bottom line no longer depends on Telefilm. In some cases, the money is even starting to flow the other way, as the agency seeks to recoup profits from Alliance projects. Telefilm invested \$1.5 million in the \$15-million *Crash* budget very late in the game. "There's no need for Telefilm as a development fund," says Lantos, "but that doesn't mean they shouldn't be involved. They will make money on *Crash*, and they made money on *Boyz n the City*. I think it's fair for them to not only subsidize but also to reap the benefits of the filmmakers they nurture and actually make profits. We would make *Sweet Revenge* without a date of government money. But every government agency would like to be a success."

Looking back on his career, however, Lantos acknowledges that public funding has been crucial. "I love Canada, and I don't particularly want to live in Los Angeles," he says. "But I doubt very much that I could have remained in Canada if Telefilm had not come along. The odds would have been astronomical."

In mid-conversation, Lantos's attention suddenly strays as he notices an attractive woman cross the terrace. "I'm sorry. I'm having trouble talking," he mutters, displaying a flash of the younger Robert Lantos, the playboy mogul in training. "You might want to avoid yourself of the view." Lantos has split his time between the view. He owns the view, and has worked hard to acquire it. But, as his heroes regard, he still needs to remind himself to enjoy it. □

sack the festival's top honoree the Palme d'Or for his widely praised family drama, *Secrets and Lies*. And to son, Brenda Blethyn, was best actress for her mesmerizing performance as a distraught mother who must forget her daughter when she once gets up for adoption. Provoking an outpouring of sentiment worthy of *Fanny Hill*, Belgium's Daniel Auteuil shared the best actor prize with his Dostoi's syndrome-affected co-star Pascal Duquenne, in *Le Huitième Jour* (*The Eighth Day*). And the runaway grand jury award went to Danish director Lars von Trier's *Smiles of a Woman*, a virtuoso melodrama about ill-fated newlyweds in a remote village on the Scottish coast.

Gosselin's consolation prize, however—the *Crash* itself—made the show "it was a very special film," said the director, and it's appropriate that they had to grant a special prize to accommodate it. Asked about Coppola's feelings about Gosselin, Gosselin smiled. "I realize that he killed everybody else on both sides but did not kill me."

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## FILMS



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## Images of fire and ice

Capturing the northern lights was an adventure

For film director Peter Mettler, it was nothing less than "the pursuit of wonder." Leading a five-member crew to the quiet town of Churchill, Man., 1,000 km north of Winnipeg, he set out to capture on film the celestial spectacle that is the aurora borealis, better known as the northern lights. But for the Toronto-born and -raised Mettler, the snow-work, mid-winter shoot quickly became an initiation in coping with the harsh forces of nature that shape life in the North. The presence of his camera often forced over and over to one eye, while the other eye froze shut with snow. It was impossible to take gloves off to adjust the aperture because his hands would freeze to the metal. Then, there was the matter of dressing for the cold, a multi-layered effort that included a ski-suit undergarment and long johns, a fleece shirt and pants, snow pants, a parka, mukluks, leather gloves and overboots. For all of that, Mettler told Maclean's that he found it "a very rejuvenating experience to be in that land of contact with nature."

The result of Mettler's expedition is *Picture of Light*, a new hour-length documentary now playing in Montreal and Toronto, and opening soon in other major cities. In addition to its spectacular footage of the northern lights, the film is a cool meditation on nature, technology and the increasingly blurred line between reality and what is perceived to be real through the mass media.

Heavily staffed, ponderous at times, the film is leavened by a deadpan wit that is most evident during an early sequence in which the hotel film-makers are waiting at a raging, three-day blizzard in a cramped Churchill motel room. With the permission of the motel's Croatian-born owner, they fire a bullet

leaved by a deadpan wit that is most evident during an early sequence in which the hotel film-makers are waiting at a raging, three-day blizzard in a cramped Churchill motel room. With the permission of the motel's Croatian-born owner, they fire a bullet



Mettler hazes eyes, sky wit

ally acclaimed director and cinematographer whose earlier works include *The Tip of the Horn* (1988), a feature-length drama about the exploits of a satellite-dish salesman, and *Toronto Photos* (1982), a film adaptation of the stage play by Quebec City's Robert LePage. After doing some research, Mettler sought out Churchill, a Hudson Bay community of 1,100, which he pragmatically described in an interview as "perhaps the best place in the world to view the northern lights that has some place to sleep."

Mettler's documentary is a remarkable visual pastiche from a corner of the country few Canadians ever get to see for themselves, a place where trees dissolve into tundra and where Churchill sits, as one of its residents puts it, "at the end of the civilized world." And from the outset, Mettler wanted the film to be about much more than documenting a natural phenomenon. "We were there to live a bit, to see what kind of encounters we had and be open enough to let that come into the film," he says. By choosing Churchill he got an unexpected bonus: a three-day-long train trip along a single-track rail line that provides the eerie night-time footage that bookends the film. Churchill also produced an eccentric cast of characters. In addition to the vehicle, if you're a guest, there is a bus, an Inuit, an Inuit who loses his toes to frostbite after his Ski-Doo breaks down on the tundra, and Inuit, a narrative who talks seriously about studying the urps to engage in a "blood bath"—his term for the winter hunting of caribou.

But the real stars of the show, of course, are the northern lights. And when Mettler turns his camera skyward, the screen suddenly ignites with a haunting, hallucinatory beauty of swirling, shimmering strands of light dancing through the subarctic night. To capture that virtuosic performance—which scientists say is the result of heavily charged solar particles remaining caught in the belts of light, but that the Inuit ascribe to the spirits of the dead playing soccer in the heavens—Mettler used time-lapse photography, compressing several hours of light into a 10-second shot. As the director readily concedes, the result is often a distorted view of what is being filmed, demonstrating the sometimes frustrating gap between reality and image. "No matter how spectacularly you bring this experience into the theatre," says Mettler, "it's not the same as standing out in the vast forest of snow with the entire sky activated." Perhaps not. But for those who cannot share directly in the experience, it is more than a reasonable facsimile.

BRYAN YERGINIAN

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# Owning up to evil

Were all Germans primed for genocide?

## HITLER'S WILLING EXECUTIONERS: ORDINARY GERMANS AND THE HOLOCAUST

By Daniel Joseph Goldhagen  
(Knopf, 622 pages, \$39.95)

From time to time, a book appears that—far better or worse—is overlooked by the debate that it provokes. In the case of Daniel Joseph Goldhagen's *Hitler's Willing Executioners*, that expansive dialogue is for the better. The fascinating but flawed book earnestly harnesses away at the notion that the Holocaust's unspeakable crimes were voluntarily—and joyously—performed by ordinary Germans primed for the task of genocide by a long-standing "evolutionary" strain of anti-Semitism within their culture. The praise and condemnation lobbed at the 600-page volume since its appearance earlier this spring have guaranteed its place, if not in academia, then in the on-

going transatlantic discussion about Germany's contribution with its past.

The contention over the book began with several glowing American reviews—*The New York Times* tagged it a "bestseller"—which accepted the author's and publisher's claim that Goldhagen's arguments were "revolutionary" in Holocaust studies. Critics in Germany, where the book will not appear until August, immediately lashed out against a return to the canon of collective German guilt—among them several thinkers from the leading weeklies *Der Zeit* and *Der Spiegel*, publications that cannot be accused of being apologists for German history.

Recent historians, including the University of Toronto's Michael Marrus, whom Goldhagen cites in his broad-brush dismissal of prior scholarship, jumped in to denounce the author. Internet chat lines (keyword Goldhagen) have sprung up leading North American professors with Euro-



Hungarian Jews at Auschwitz-Birkenau: Voluntary, and joyously performed, atrocities

peans, as well as Jews with Holocaust fears. Early this month, Goldhagen withdrew from a New York University Holocaust symposium, concerned that anti-semitic readings of his views, prior to the book's publication in Germany, would further distort the debate in that country.

*Hitler's Willing Executioners* is the expression of a prize-winning doctoral dissertation by Goldhagen, a 36-year-old professor of government and social studies at Harvard. The author ambitiously states that he has for the first time disproved prevailing myths that the horror was perpetrated by a minority of Nazi henchmen and others who either did not know the full extent of

what was going on or feared retribution if they failed to follow orders. These arguments are not as new as the author claims. What is new is Goldhagen's desire to alter the direction of Holocaust research: He begins by chastising his colleagues for an obsession with the machinery of the Nazi genocide: from train schedules to gas chambers) while ignoring the motivation of the human beings who acted it.

The framework of study, he argues, must shift to focus on the individual, in order to unlock the mystery of how the nation that produced Nietzsche and Goethe could sink to such depths. Those killers, he shows with ample evidence, were not highly educated Nazis, but ordinary Germans whose preexisting worldview had rendered them "locally deaf" before they were physically exterminated.

Armed with 141 pages of footnotes, Goldhagen challenges the modern relations that maintain the Holocaust could have happened anywhere: His nuts and bolts to turn ordinary society into a nation of perpetrators of the Holocaust: the German economy, the jumbling power of totalitarian regimes, Nazi's organizational structure, Hitler's charisma. In so doing, he has brought an American neoconservative agenda to the discussion of the Nazi genocide—seeking to reduce the psychology of victimization with the ethics of responsibility. When applied to Nazi Germany this is a refreshing approach. Prior scholarship, he implies, has alerted the view that otherwise rational Germans were somehow bewitched for 12 years by a madman named Hitler. "Everyone is ready to believe perpetrators of other mass slaughter visited to do it," Goldhagen said in a recent newspaper interview. "Only with Germans do we say they were obedient to authority. There is a reluctance to believe that people who are core members of Western civilization would do such a thing."

The Goldhagen thesis corners the so-called *Abschreiben* (asterisk) debate of the 1980s, which divided German intellectuals on whether the Holocaust was unique in history. And the current eruption is timely, given the post-Cold War German impulse to gut the Nazi years to rest. North American readers, unfamiliar with the twists and turns of that internal debate, could easily dismiss the current German reaction to Goldhagen's book as part of a denial syndrome. And yes, the past few decades have seen copious probes of Nazism, including a ground-breaking exhibition last year in Hamburg outlining the complexity of the Reichsmacht, the regime's German army.

Goldhagen is not alone in believing it was no accident that the Holocaust was a German—not a Dutch or Italian or Czech—

project. And he is not the first to argue that the Holocaust was a Jewish project. Nor do those familiar with Holocaust literature—least of all postwar Germans—will believe average Germans had no idea Jews were being murdered. But his catch-all thesis of pervasive anti-Semitism is startlingly simplistic. All Germans were potential monsters just waiting for the chance to act on their deepest anti-Jewish desires. The book contains lapses in logic and errors of omission, cited among them as treatment of anti-Semitism in other parts of Europe.

Goldhagen has produced a powerful case study of German anti-Semitism. But

ultimately the author's one-act requires falls flat, leaving a crucial question unanswered: what was it about Germany's pre-war culture beyond anti-Semitism that turned its version of Jew hatred to genocide? The bulk of Holocaust scholarship points to a confluence of forces. In rejecting that body of work, Goldhagen—the son of a Holocaust survivor—may have ensured that his book's main contribution comes as the level of popular culture, prodding both Germans and outsiders to continue to soul-search about this unprecedented mass murder.

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# Allan Fotheringham

## Ah, the joys of New York, New York

**T**here is nothing in the world like New York City. (There is nothing in the world like London, mind you. And there is nothing in the world like Paris, as we know) But there is nothing in the world like New York.

When winter turns into summer on a spring day in May, hitting 90 degrees overnight. Fifth Avenue displays in all its glory the best and the worst in the most exciting, most unfashionable town on earth. Ladies with \$4,000 worth of silk and sequins on their bodies resemble Vogue models.

Past the elaborate metal holding stands, built the size of a Mercedes, they parade while bureaucracy's tightrope act scholars stompede. But taste means good taste. Beer bellies barely concealed in underbusts. Tuxedos from Peoria dressed for the beach, not 34th Fifth Avenue or Riverside-Goodman. Bad hair, bad beards, bad breath, bad jokes. On the most famous street in Manhattan, we have within one blocks the best-dressed people around and the worst-dressed still alive.

Things are never dull in the town that never sleeps. The publishing sensation of the year, at once, in *Primary Colors*, the "fictional" account of a presidential campaign by a candidate from an unnamed southern state who has a very lengthy wife who screams at him in unspeakable language because of his lazy, anti-chasing ways.

All of literate America has been mesmerized by attempting to find out the identity of the mysterious Anonymous who peered the runway before her. She's thirty, millions assured, the talented and lucky author can't resist teasing us even more.

She (he?)—Anonymous—wins a prize for *The New York Times* Book Review explains why the book was written, how the book was written, how the success of it was so surprising. Blah, blah. Something rings a bell here. What is it? *The Unabomber*? He was successfully killing off all those hated professors and executives, but he couldn't resist himself.

When he demanded that the *Times* and *The Washington Post* print his candid musings, or he would kill again, he revealed the claws that led to his arrest. Anonymous can't stand it until he (she?) is found out and can start at cocktail parties attended by



all the high-priced journalists who hate the author because they didn't think of the gimmick first.

Just by accident, naturally, as case you were wondering who was once the governor of that immense southern state, the *Times* in the same edition runs a profile of Bill Clinton, describing him as "talented, scrupulous, intelligent, open and colorful. Also undisciplined, fumbling, obsessive, dilettante and self-indulgent."

Moving right along, the most comfortable restaurant in a city where half the population are waiters remains Le Relais, corner of Madison and 63rd, where most of the patron resemble bit players in a French movie. Nothing more pleasant than sipping at Pantano.

There is a wonderful scam going on at the Metropolitan Museum of Art, one of the world's great galleries. Advertised as "Splendors of Imperial China," the "650 exceptional works" from the Neolithic period through the 18th century include "the finest examples of painting and calligraphy, jade, bronzes, ceramics, lacquerware."

All true, all quite fascinating, but it turns out on examination to be all from the Palace Museum in Taiwan, which some of us remember as Formosa. The exhibit is supported by "The Henry Luce Foundation, Inc." Which figures. Luce, the genius founder of *Time* magazine, fixated for too long decades America's hatred and love of "Red China" that was eventually recognized by fellow Republicans Richard Nixon—after Pierre Trudeau had done the same. Art unites life, or vice versa.

There is Bobby Short, with his cute little lip at the piano at The Copley, an icon of Manhattan as much as the high-luckers at Rockefeller Center. Marlene weeps into their Manhattan (they still exist, apparently) as he serenades every creation from Cole Porter, Ellington, Gershwin and his sister Ira.

In his 29th season at the hotel, he is a fixture—like the elderly waitress in New York (and London, and Paris) who do not regard the job as a summer fix through college or a mulligan while waiting for a new acting role. The *Apple* regard their trade as an honorable profession, something for a lifetime, rather like Bob Dole in the U.S. Senate, knowing every trick in the trade, all the more valuable because they know the tricks and never work while they're practicing them.

New York, because it so dominates financially its nation (and the world), is incredibly stupid. The Giants have led to San Francisco, Drew Brees from Brooklyn to Los Angeles. It does not like to acknowledge that the spin money-spinners on Broadway are imports from Andrew Lloyd Webber/Books via London.

The *Times* is the finest paper in the world, but the city is now down to only three papers—the other two tabs pitiful pale—while Toronto maintains four dailies and London still has 30.

It's a great town—seasonable by anyone outside it far about three/four days now—the energy level killing so average visitor like a sleep across the forehead after that time lost.

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\*Test results from the U.S. National Highway Traffic Safety Administration. The 626 Cronos also available with a 4-cylinder engine.





# Think about it. What's waiting inside?

What's inside your laser beam printer, plain paper fax or personal copier? In genuine Canon cartridges, we've not only included all of the imaging system's core components in one user-replaceable unit. We've also improved the design in numerous ways. We've made the toner finer, for higher resolution and beautiful halftones. We've reduced the number of parts for greater reliability. And we've simplified the construction making the cartridge smaller and easier to use. For the best possible output, we do, of course, recommend that you choose a Canon printer, fax or copier. But this, at least, we do ask. Is the cartridge you're using designed and made with Canon quality built in at every step? Before you choose another cartridge, ask yourself what's missing inside.



**The all-in-one Canon cartridge.  
The genuine choice.**



Laser Beam Printer  
LBP-460



Personal Copier  
PC320



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7000

As part of our Clean Earth Campaign, Canon supports leading environmental organizations. Used cartridges are returned under the Clean Earth Campaign via UPS or MBE in the U.S. and Canada Post in Canada. Shipping costs are paid by Canon, so there's no charge to our end users. Easy shipping instructions can be found in the cartridge box. Pack two or more used cartridges in one box for efficiency.

